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LEGISLATIVE HISTORY

Public Law 320--80th Congress

Chapter 440--1st Session

S. 1326

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INDEX AND SUMMARY OF HISTORY ON S. 1326

- May 14, 1947      H. R. 3465 was introduced by Rep. Hill and was referred to the House Committee on Agriculture. Print of the bill as introduced.
- May 21, 1947      S. 1326 was introduced by Senator Aiken and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Companion bill).
- May 27, 1947      House Committee reported H. R. 3465 with amendments. House Report 470. Print of the bill as reported.
- June 20, 1947      Hearings: Senate, S. 1326.  
Resumption of hearings.
- June 25, 1947      Senate Committee on Agriculture and Forestry approved but did not report S. 1326.
- June 26, 1947      Senate Committee reported S. 1326 with amendments. Senate Report 378. Print of the bill as reported.
- July 3, 1947      S. 1326 was discussed in the Senate and passed over.
- July 9, 1947      S. 1326 was discussed in the Senate and passed with amendments.
- July 18, 1947      House Rules Committee reported H. Res. 314 for the consideration of H. R. 3465. House Report 1000. Print of the Resolution.
- July 25, 1947      S. 1326 was debated in the House and passed with an amendment.  
House Conference appointed.
- Senate Conference appointed.
- July 26, 1947      Both Houses agreed to the Conference Report. House Report 1112.
- August 1, 1947      Approved. Public Law 320.



DIGEST OF PUBLIC LAW 320

~~EXPERIMENTAL PLANTS FOR CROP INSURANCE.~~ Amends the Federal Crop Insurance Act so as to limit, beginning in 1938, insurance to not more than 200 counties in the case of wheat, 56 counties in the case of cotton, 50 counties each in the case of corn and flax, and 35 counties in the case of tobacco; provides for insurance in 1948 on two additional commodities in not to exceed 20 counties each, and on as many as three additional commodities each subsequent year in not to exceed 20 counties each; provides that the counties selected are to be representative of the several areas where the agricultural commodity insured is normally produced, except those areas in which the income from such commodity constitutes an unimportant part of the total agricultural income of the area; provides for trying any plan or plans of insurance adapted to the insured commodity; and for the purpose of encouraging private insurance companies to re-enter the field of "all-risk" insurance, provides for the reinsurance of private insurance companies in not to exceed 20 counties. Provisions dealing principally with management and administration are: Provides for five members of the Board of Directors of the Federal Crop Insurance Corporation, instead of three, with two of the members being persons experienced in the insurance business who are not otherwise employed in the Government; directs that employees responsible for administering the Act in each county shall be selected by and responsible to the corporation; provides that the monetary amount of premiums and indemnities may be established on the basis of parity or comparable price or the average market price; and provides for the termination of any insurance contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued as of the end of the 1947 crop year.







80<sup>TH</sup> CONGRESS  
1ST SESSION

# H. R. 3465

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## IN THE HOUSE OF REPRESENTATIVES

MAY 14, 1947

Mr. HILL introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Federal Crop Insurance Act.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That subsection (a) of section 508 of the Federal Crop  
4       Insurance Act, as amended, is amended to read as follows:  
5           “(a) Commencing with crops planted for harvest in  
6       1948, for the purpose of determining the most practical  
7       plan, terms, and conditions of insurance for agricultural  
8       commodities, if sufficient actuarial data are available, as  
9       determined by the Board, to insure, or to reinsurance insurers  
10      of, producers of such agricultural commodities under any  
11      plan or plans of insurance determined by the Board to be

1 adapted to any such commodity. Such insurance shall be  
2 against loss of the insured commodity due to unavoidable  
3 causes, including drought, flood, hail, wind, frost, winter-  
4 kill, lightning, fire, excessive rain, snow, wildlife, hurricane,  
5 tornado, insect infestation, plant disease, and such other  
6 unavoidable causes as may be determined by the Board.  
7 Any insurance offered against loss in yield shall not cover  
8 in excess of 75 per centum of the recorded or appraised  
9 average yield of the commodity on the insured farm for  
10 a representative period subject to such adjustments as the  
11 Board may prescribe to the end that the average yields  
12 fixed for farms in the same area, which are subject to the  
13 same conditions, may be fair and just: *Provided*, That, if  
14 75 per centum of the average yield represents generally  
15 more protection than the investment in the crop in any  
16 area, taking into consideration recognized farming practices,  
17 the Board shall reduce such maximum percentage so as  
18 more nearly to reflect the investment in the crop in such  
19 area. Insurance provided under this subsection shall not  
20 cover losses due to the neglect or malfeasance of the pro-  
21 ducer, or to the failure of the producer to reseed to the  
22 same crop in areas and under circumstances where it is  
23 customary to so reseed, or to the failure of the producer to  
24 follow established good farming practices. In 1948 insur-  
25 ance shall be limited to not more than seven crops (in-

1 cluding wheat, cotton, flax, corn, and tobacco) and to not  
2 more than three additional crops in each year thereafter.  
3 Insurance provided for any agricultural commodity, except  
4 wheat, cotton, flax, corn, and tobacco, shall be limited to  
5 producers in not to exceed twenty counties. Insurance  
6 for wheat, corn, and cotton shall be limited to producers  
7 in not to exceed fifty counties, and for flax and tobacco to  
8 producers in not to exceed twenty-five counties, for each  
9 such commodity. Counties selected by the Board shall be  
10 representative of the several areas where the agricultural  
11 commodity insured is normally produced. Insurance shall  
12 not be provided in any county unless written applications  
13 therefor are filed covering at least two hundred farms or  
14 one-third of the farms normally producing the agricultural  
15 commodity; nor shall insurance of any agricultural com-  
16 modity be provided in any county in which the Board  
17 determines that the income from such commodity constitutes  
18 an unimportant part of the total agricultural income of the  
19 county. The Board may limit or refuse insurance in any  
20 county or area, or on any farm, on the basis of the insur-  
21 ance risk involved. The Corporation shall report annually  
22 to the Congress the results of its operations as to each  
23 commodity insured."

24 SEC. 2. Subsection (b) of section 508 of the Federal  
25 Crop Insurance Act, as amended, is amended by striking

1 out the period at the end of the first sentence and inserting in  
2 lieu thereof a colon and the following: “*Provided*, That such  
3 premiums may be established on the basis of the parity or  
4 comparable price for the commodity as determined and pub-  
5 lished by the Secretary of Agriculture, or on the basis of an  
6 average market price designated by the Board.”

7 SEC. 3. Subsection (c) of section 508 of the Federal  
8 Crop Insurance Act, as amended, is amended by striking out  
9 in the first sentence “however,” and inserting in lieu thereof  
10 “That indemnities may be determined on the same price basis  
11 as premiums are determined for the crop with respect to  
12 which such indemnities are paid: *Provided further*,”.

13 SEC. 4. Section 502 of the Federal Crop Insurance Act,  
14 as amended, is amended to read as follows:

15 “SEC. 502. It is the purpose of this title to promote the  
16 national welfare by improving the economic stability of  
17 agriculture through a sound system of crop insurance and  
18 providing the means for the research and experience helpful  
19 in devising and establishing such insurance.”

20 SEC. 5. Nothing in this Act shall be construed to affect  
21 the validity of any insurance contract entered into prior to the  
22 enactment of this Act insofar as such contract covers the  
23 1947 crop year. Any such contract which purports to cover  
24 a crop in the 1948 or any subsequent crop year in any county  
25 in which insurance on such crop will be discontinued pursuant

1 to this Act is hereby terminated at the end of the 1947 crop  
2 year.

3 SEC. 6. Subsection (d) of section 507 of the Federal  
4 Crop Insurance Act, as amended, is amended by striking out  
5 the period at the end of the subsection and inserting a comma  
6 and the following: "Except that employees or agencies  
7 responsible for administering this Act in each county shall be  
8 selected and designated by the Corporation and shall be  
9 responsible directly to the Corporation without the inter-  
10 vention of any intermediate office or agency."

SIXTH CONGRESS  
1ST SESSION

**H. R. 3465**

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# A BILL

To amend the Federal Crop Insurance Act.

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By Mr. Hull

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MAY 14, 1947

Referred to the Committee on Agriculture





80<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1326

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IN THE SENATE OF THE UNITED STATES

MAY 21 (legislative day, APRIL 21), 1947

Mr. AIKEN (for himself and Mr. McCLELLAN) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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## A BILL

To amend the Federal Crop Insurance Act.

- 1       *Be it enacted by the Senate and House of Representa-*
- 2       *tives of the United States of America in Congress assembled,*
- 3       *That subsection (a) of section 508 of the Federal Crop*
- 4       *Insurance Act, as amended, is amended to read as follows:*
- 5           “(a) (1) Commencing with crops planted for harvest
- 6       in 1948, to insure producers of the agricultural commodities
- 7       authorized to be insured by paragraphs (2) and (3) of this
- 8       subsection, upon such terms and conditions not inconsistent
- 9       with the provisions of this title as it may determine, against
- 10      loss due to unavoidable causes, including drought, flood,
- 11      hail, wind, frost, winter-kill, lightning, fire, excessive rain,

1 snow, wildlife, hurricane, tornado, insect infestation, plant  
2 disease, and such other unavoidable causes as may be de-  
3 termined by the Board. Such insurance shall not cover in  
4 excess of 75 per centum of the recorded or appraised average  
5 yield of such commodities on the insured farm for a repre-  
6 sentative period subject to such adjustments as the Board  
7 may prescribe to the end that the average yields fixed for  
8 farms in the same area, which are subject to the same  
9 conditions, may be fair and just: *Provided*, That if 75 per  
10 centum of the average yield represents generally more pro-  
11 tection than the investment in the crop in any area, taking  
12 into consideration recognized farming practices, the Board  
13 shall reduce such maximum per centum so as more nearly  
14 to reflect the investment in the crop in such area. Such  
15 insurance shall not cover losses due to the neglect or mal-  
16 feasance of the producer, or to the failure of the producer  
17 to reseed to the same crop in areas and under circumstances  
18 where it is customary to so reseed, or to the failure of the  
19 producer to follow established good farming practices. In-  
20 surance shall not be provided in any county unless written  
21 applications therefor are filed covering at least two hundred  
22 farms, or one-third of the farms normally producing the  
23 agricultural commodity; nor shall insurance of any agri-  
24 cultural commodity be provided in any county in which  
25 the Board determines that the income from such commodity

1 constitutes an unimportant part of the total agricultural  
2 income of the county. The Board may limit or refuse in-  
3 surance in any county or area, or on any farm, on the basis  
4 of the insurance risk involved. The Corporation shall report  
5 annually to the Congress the results of its operations as to  
6 each commodity insured.

7       “(2) To insure producers of wheat in not to exceed  
8 six hundred and thirty-three counties, and producers of  
9 flax in not to exceed eighty-seven counties: *Provided*, That  
10 insurance may be offered to such producers in selected coun-  
11 ties in accordance with the provisions of paragraph (3)  
12 of this subsection, if the Board so determines.

13       “(3) For the purpose of determining the most practical  
14 plan, terms, and conditions of insurance with respect to  
15 cotton, corn, dry beans, oats, barley, rye, tobacco, rice,  
16 peanuts, soybeans, sugar beets, sugarcane, timber and forests,  
17 potatoes and other vegetables, citrus and other fruits, tame  
18 hay, and any other agricultural commodity, if sufficient  
19 actuarial data are available, as determined by the Board,  
20 to insure producers of such agricultural commodities under  
21 any plan or plans of insurance determined by the Board to be  
22 adapted to any such commodity, notwithstanding any other  
23 provision of this title: *Provided*, That such insurance shall be  
24 limited in 1948 to not more than five crops (exclusive of  
25 wheat and flax, but including corn, cotton, and tobacco) and

1 to not more than three additional crops in each year there-  
2 after. Insurance provided for any agricultural commodity  
3 under this paragraph, except corn, cotton, and tobacco, shall  
4 be limited to producers in not to exceed twenty counties  
5 selected by the Board as representative of the several areas  
6 where the agricultural commodity is normally produced. In  
7 the case of corn and tobacco, such insurance shall be limited  
8 to producers in not to exceed fifty such counties; and, in  
9 the case of cotton, such insurance shall be limited to producers  
10 in not to exceed fifty-six such counties."

11 SEC. 2. Subsection (b) of section 508 of the Federal  
12 Crop Insurance Act, as amended, is amended to read as  
13 follows:

14 "(b) To fix adequate premiums for insurance in the  
15 agricultural commodity or in cash, at such rates as the Board  
16 deems sufficient to cover claims for crop losses on such  
17 insurance and to establish as expeditiously as possible a  
18 reasonable reserve against unforeseen losses: *Provided*, That  
19 such premiums may be established on the basis of the parity  
20 or comparable price for the commodity as determined and  
21 published by the Secretary of Agriculture, or on the basis  
22 of such other fixed price as the Board may determine. Such  
23 premiums shall be collected at such time or times, or shall  
24 be secured in such manner, as the Board may determine."

1 SEC. 3. Subsection (c) of section 508 of the Federal  
2 Crop Insurance Act, as amended, is amended to read as  
3 follows:

4        "(c) To adjust and pay claims for losses in the agri-  
5 cultural commodity or in cash, under rules prescribed by  
6 the Board: *Provided*, That indemnities may be determined  
7 on the same price basis as premiums are determined for  
8 the crop with respect to which such indemnities are paid.

9 The Corporation shall provide for the posting annually in  
10 each county at the county courthouse of a list of indemnities  
11 paid for losses on farms in such county. In the event that  
12 any claim for indemnity under the provisions of this title is  
13 denied by the Corporation, an action on such claim may be  
14 brought against the Corporation in the United States district  
15 court, or in any court of record of the State having general  
16 jurisdiction, sitting in the district or county in which the  
17 insured farm is located, and jurisdiction is hereby conferred  
18 upon such district courts to determine such controversies  
19 without regard to the amount in controversy: *Provided*,  
20 That no suit on such claims shall be allowed under this  
21 section unless the same shall have been brought within one  
22 year after the date when notice of denial of the claim is  
23 mailed to and received by the claimant."

24 SEC. 4. Subsection (e) of section 508 of the Federal

1 Crop Insurance Act, as amended, is amended to read as  
2 follows:

3        "(e) Commencing with the 1948 crop, to provide,  
4 upon such terms and conditions as the Board may determine,  
5 reinsurance to private insurance companies which insure  
6 producers of any agricultural commodity under contracts  
7 acceptable to the Corporation and consistent with the pro-  
8 visions of this title: *Provided*, That reinsurance for private  
9 insurance companies shall be limited to contracts covering  
10 farms in not to exceed twenty counties selected by the  
11 Board."

12       SEC. 5. Section 508 of the Federal Crop Insurance Act,  
13 as amended, is amended by adding at the end thereof a  
14 new subsection as follows:

15       "(f) Beginning with the 1948 crop, if the Board shall  
16 so determine, to establish local insurance areas (county,  
17 or larger contiguous area determined by the Board), and  
18 operate, through local associations established under the  
19 provision of section 507 (c) of this title, a plan of insurance  
20 in any such area which would provide for premium assess-  
21 ments in any year following a year in which the accumulated  
22 losses (exclusive of any amount drawn from reserves of  
23 the Corporation) or any agricultural commodity in the  
24 area exceed the accumulated premiums (less any amount  
25 credited to reserves of the Corporation) on such commodity,

1 such assessments to be continued until the accumulated  
2 premiums (less any amount credited to reserves of the  
3 Corporation) exceed the accumulated losses (exclusive of  
4 any amount drawn from reserves of the Corporation):  
5 *Provided*, That no such assessment shall be made against  
6 new insured producers for the first year of insurance."

7 SEC. 6. Subsections (a) and (b) of section 504 of  
8 the Federal Crop Insurance Act are amended by striking out  
9 "\$100,000,000" and inserting in lieu thereof "\$150,-  
10 000,000".

11 SEC. 7. Subsection (d) of section 506 of the Federal  
12 Crop Insurance Act is amended to read as follows:

13 " (d) Subject to the provisions of section 508 (c), may  
14 sue and be sued in its corporate name in any court of record  
15 of a State having general jurisdiction, or in any United States  
16 district court, and jurisdiction is hereby conferred upon such  
17 district court to determine such controversies without regard  
18 to the amount in controversy: *Provided*, That no attach-  
19 ment, injunction, garnishment, or other similar process,  
20 mesne or final, shall be issued against the Corporation or its  
21 property."

22 SEC. 8. Section 505 of the Federal Crop Insurance Act,  
23 as amended, is amended to read as follows:

24 "SEC. 505. (a) The management of the Corporation  
25 shall be vested in a Board of Directors (hereinafter called

1 the 'Board') subject to the general supervision of the Secre-  
2 tary of Agriculture. The Board shall consist of the manager  
3 of the Corporation, two other persons employed in the  
4 Department of Agriculture, and two persons experienced in  
5 the insurance business who are not otherwise employed by  
6 the Government. The Board shall be appointed by, and  
7 hold office at the pleasure of the Secretary of Agriculture,  
8 who shall not, himself, be a member of the Board.

9        "(b) Vacancies in the Board so long as there shall be  
10 three members in office shall not impair the powers of the  
11 Board to execute the functions of the Corporation, and three  
12 of the members in office shall constitute a quorum for the  
13 transaction of the business of the Board.

14        "(c) The Directors of the Corporation who are em-  
15 ployed in the Department of Agriculture shall receive no  
16 additional compensation for their services as such Directors  
17 but may be allowed necessary traveling and subsistence  
18 expenses when engaged in business of the Corporation, out-  
19 side of the District of Columbia. The members of the Board  
20 who are not employed by the Government shall be paid  
21 such compensation for their services as Directors as the  
22 Secretary of Agriculture shall determine, but such compen-  
23 sation shall not exceed \$100 per day each when actually  
24 employed and necessary traveling and subsistence expenses

1 when engaged in business of the Corporation away from  
2 their homes or regular places of business.

3        "(d) The manager of the Corporation shall be its chief  
4 executive officer, with such power and authority as may  
5 be conferred upon him by the Board. He shall be appointed  
6 by, and hold office at the pleasure of, the Secretary of  
7 Agriculture."

8        SEC. 9. The provisions of law amended by this Act  
9 shall be deemed to continue in full force and effect for pur-  
10 poses of carrying out the provisions of insurance contracts  
11 entered into prior to the enactment of this Act.

# A BILL

To amend the Federal Crop Insurance Act.

By Mr. AIKEN and Mr. McCLELLAN

MAY 21 (legislative day, APRIL 21), 1947

Read twice and referred to the Committee on Agriculture and Forestry





DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued May 28, 1947  
For actions of May 27, 1947  
80th-1st, No. 100

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**HIGHLIGHTS:** House debated agricultural appropriation bill. House committee reported bill to place crop insurance on experimental basis. House committee ordered reported bills to extend Export-Control Act and to transfer Remount Service to USDA. Rep. Reed criticized Government's foreign food shipments as a cause of feed shortage. Reps. Poage and Grant discussed potato problem, explaining efforts which have been made to dispose of surplus.

HOUSE

1. **AGRICULTURAL APPROPRIATION BILL.** Began and completed general debate on this bill, H. R. 3601 (pp. 6021-62). The bill is to be read for amendment today. Agreed, 189-170, to a resolution waiving points of order on the bill (pp. 6021-9). Reps. Chenoweth, Halleck, and Dirksen spoke in favor of the rules; Reps. Sabath, McCormack, Hope, Andrensen, Clark, Whitten, and Cooley spoke against it. Rep. Sabath inserted a Farm Bureau telegram stating it is "deeply shocked" at several recommendations of the Appropriations Committee (p. 6023). Rep. Plumley, Vt., said he disagreed with "the general proposition in this bill, insofar as it would follow the New Deal program" (p. 6030). Rep. Anderson, Minn., spoke in favor of economy, said "We will give REA every dime they need, but...we do not intend to put more money on the shelf than is necessary," stated that soil-conservation payments are not necessary to insure soil conservation, objected to the proposed decreases in PMA county-committee funds, recommended a \$561,000 cut in Solicitor's Office and a 20% cut in Office of the Secretary, and stated that "too much of the economy in this bill is at the expense of others than the employees" (pp. 6030-3). Rep. Hays, Ark., asked for restoration of FHA funds (pp. 6033-4). Rep. Winstead, Miss., said the ACP item would break a "commitment" to farmers, although recommending a gradual tapering off of the program, said the bill would keep the "high-priced administrative... personnel" and apply the cuts to local levels "which actually render the service," objected to the REA reductions and rescission of Sec. 32 funds, and criticized FHA cuts and failure to include the full Research and Marketing Act authorization (pp. 6034-5). Rep. Allen, La., opposed SCS, ACP, and Sec. 32 cuts (pp. 6035-7). Rep. Davis, Ga., spoke in favor of economy but objected to soil-conservation and school-lunch reductions (pp. 6037-8). Rep. Phillips spoke in support of the FHA, ACP, Sec. 32, and OFAR cuts (pp. 6038-40). Rep. Church, Ill., spoke in favor of economy and commended the bill (pp. 6040-1). Rep.

Price, Ill., objected to REA and SCS reductions (pp. 6041-2). Rep. Rankin, Miss., opposed REA cuts (p. 6018). Rep. Worley, Tex., spoke against reductions in ACP, SCS, FHA, and REA (pp. 6042-4). Rep. Ellsworth, Oreg., criticized FS cuts (pp. 6044-5). Rep. Whitten, Miss., objected to the procedures by which the bill was considered in committee and criticized cuts in REA, SCS, Sec. 32, Research and Marketing Act, and FHA (pp. 6045-51). Rep. Hope, Kans., inserted a letter from Under Secretary Dodd on the effect of rescinding Sec. 32 money and defended this program (pp. 6051-3). Rep. Zimmerman, Mo., objected to Sec. 32 and soil-conservation cuts (pp. 6053-4). Rep. Brown, Ga., spoke against reductions in SCS, ACP, Sec. 32, and FHA (pp. 6054-5). Rep. Evins, Tenn., spoke against the proposed cuts in general (p. 6055). Rep. McMillan, S. C., objected to the meat-inspection reimbursement provision and cuts in REA, ACP, and FHA (pp. 6055-6). Rep. Williams, Miss., criticized reductions in REA, soil-conservation, and Sec. 32 (p. 6056). Rep. Mansfield, Mont., congratulated the committee on recognizing the importance of forestry but objected to FS cuts (pp. 6056-7). Rep. Cannon, Mo., criticized reductions in Research and Marketing Act, ACP, SCS, REA, and FHA (pp. 6057-8). Rep. Poage, Tex., said the bill "grabs out the support under surpluses" (pp. 6059-61). Rep. Beckworth, Tex., said he hoped the bill would be amended to prevent a set-back in the farm program and urged REA expansion (p. 6061). Rep. Robertson, Ill., objected to ACP, REA, Research and Marketing Act, Sec. 32; but agreed with the committee's treatment of Extension and SCS items (pp. 6061-2).

Rep. Dirkson said, "I hope we can complete the bill tomorrow" (p. 6029). Majority Leader Halleck said D. C. legislation is to be considered Thurs. "if the Department of Agriculture appropriation bill is theretofore disposed of. Of course our first task is to dispose of the appropriation bill," and that "there will be no session Friday" (p. 6021). The House is to meet today at 10:00 a. m. (p. 6062).

2. CROP INSURANCE. The Agriculture Committee reported with amendment H.R. 3465, to amend the Federal Crop Insurance Act so as to place crop insurance on an experimental basis (H.Rept. 470) (p. 6063).
3. EXPORT-CONTROLS; REMOUNT SERVICE; PERSONNEL. The Armed Services Committee ordered reported\* H.R. 3049, extension of the Export-Control Act; H.R. 3484, transfer of Remount Service to USDA; and H.R. 1845, military leave for Federal employees who are members of the Enlisted Reserve Corps (p. D302).  
\* Copies of the bills and reports will not be available until the bills are actually reported, when this Digest will include a statement to that effect.
4. FOOD DESTRUCTION. Rep. Murray, Wis., inserted and discussed his bill, H.R. 3585, to prohibit destruction of foods and fibers (p. 6020).
5. VETERANS' PREFERENCE. The Post Office and Civil Service Committee reported with amendment H.R. 1389, to amend the Veterans' Preference Act so as to require active full-time paid duty in the armed forces and separation under honorable conditions for eligibility for benefits (H.Rept. 465) (p. 6063).
6. LANDS. The Public Lands Committee reported without amendment H.R. 2852, providing for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area, Ky. (H.Rept. 469) (p. 6063).
7. HOUSING. Received a Chicago, Ill., resolution urging prompt action on the Taft-Wagner-Ellender housing bill (p. 6064).

## CROP INSURANCE

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MAY 27, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. HOPE, from the Committee on Agriculture, submitted the following

### R E P O R T

[To accompany H. R. 3465]

The Committee on Agriculture, to whom was referred the bill (H. R. 3465) to amend the Federal Crop Insurance Act, having considered the same, report thereon with a recommendation that it do pass with the following amendment:

Page 2, line 2, following the word "commodity" and preceding the word "due", insert the words "while in the field".

### STATEMENT

For the past many years every member of the economic family of the Nation except the farmer has been able to insure against accidental loss the commodity in which he deals. Casualty insurance has, indeed, become so commonplace and so well established as a normal part of business and commerce that many prudent businessmen would hesitate to engage in business without the protection insurance affords. It is an ironic anomaly that of all the Nation's industries only that industry which is the origin and source of a major part of our real wealth—agriculture—should be deprived of the opportunity to protect itself by insurance against the accidental loss or destruction of its product.

This discrimination is due, it appears, to the complexity of formulating insurance for agricultural commodities. It is relatively easy to count the number of fires which occur in a year, assess the damage, and compute a fire-risk table. It is considerably more difficult to tabulate the causes of damage to a farmer's growing crop, calculate the loss, and determine the proper insurance rate. Insurance generally is still in the development stage. It is only in the last generation that it has reached the degree of perfection and soundness to

which we have already become accustomed. It is only natural, therefore, that while it was developing, the insurance business should have turned its attention first to problems which were less difficult than those connected with growing agricultural commodities.

#### FIRST ATTEMPTS AT CROP INSURANCE

Even so, crop insurance was not entirely overlooked. Beginning in 1899, there have been a number of attempts by private stock companies, mutual associations, and State-sponsored agencies to write "all risk" crop insurance. Without exception, they were unsuccessful. A study of their experience indicates that, in addition to the handicaps of inexperienced management and unsubstantial financing which caused the downfall of hundreds of other insurance ventures in the development period of the business, there were two major factors which contributed to the failure of these early crop insurance efforts: (1) Lack of basic data on which to develop actuarial tables; (2) the effort to insure the price of the commodity, as well as the volume of production—thus subjecting the company to loss due to a decline in price.

When the first Federal crop insurance was authorized by the act of February 1938, both these difficulties had been recognized and, it was felt at the time, had been largely overcome. The AAA and other regulatory programs had provided a mass of basic data on crop production and loss never before available. The act itself provided that insurance was to be against loss of yield only, not against a decline in price. When the program was carried into effect, however, it was discovered that neither of these problems had been completely solved. The crop data available from AAA and other sources was neither as complete, as dependable, nor as useful for actuarial purposes as had been supposed. While insurance of the value of the crop was avoided, the stipulated insurance based on 75 percent of the normal yield was too high in some areas, making it profitable for a farmer to lose his crop. In addition the only way the insurance corporation had of protecting itself against a decline in price between the time premiums were received and the time indemnities were paid was to hedge against such a decline by buying and storing a volume of the commodity equivalent to the amount of premiums paid.

#### DIFFICULTIES WITH FEDERAL CROP INSURANCE

Contributing to the difficulties of this first Federal experiment in crop insurance was the background against which the legislation was enacted. The Nation had just passed through the disastrous drought years. Farmers in many parts of the country were reeling under the impact of the double blows of economic and natural disaster. They desperately needed assistance. The decision to undertake the writing of crop insurance on a Nation-wide scale, instead of on a limited experimental basis such as the course of prudence would have dictated, must be regarded as partially an effort to bring relief to farmers who were in critical need of it. As such, it served its purpose—and probably did so as equitably and at as little cost to the Federal Treasury as any other method would have done. But such a purpose

was not conducive to the development of an actuarially sound system of insurance.

Inherent also in that crop insurance effort was the defect of its conception as part of the ever-normal granary. The commodities received as premium payments or purchased in the hedging operation, it was believed, would add to the supplies in the granary and contribute to the stabilization of agricultural prices—this apparently without realizing fully the cost of administering and storing such supplies and the effect the accumulated surpluses themselves would have in overriding and depressing the very market they were designed to support.

Against this background, Federal Crop Insurance got underway with the wheat crop of 1939; and for five successive years the indemnities paid exceeded the premiums collected, despite the fact that some of the years were excellent wheat-crop years for the country as a whole. In 1942 insurance was offered on cotton, pursuant to an amendment to the act, and for 2 years losses were sustained on cotton insurance, despite two good cotton crops.

By 1943 agriculture was well into the era of high wartime prices, emergency relief measures were no longer necessary, and crop insurance was terminated with the 1943 crop. The losses on wheat had totaled \$26,312,000; on cotton, \$11,480,000, plus an administrative expenditure of \$28,488,000.

#### THE REINSTATED PROGRAM

There was still, however, the almost universal feeling that farmers are entitled to the stability resulting from insurance of their crops against losses from causes beyond their control, if such insurance could be developed on a sound basis—and that the brief period of semi-insurance, semi-relief activity from 1939 to 1943 had not given the program a fair trial. Accordingly, the decision to abandon the effort to develop crop insurance was reconsidered, and in December 1944 Congress reinstated the program. Some refinements and adjustments were made, in the light of the previous experience; but, on the whole, the scope of the wheat and cotton programs were not changed, and flax was added as a commodity on which general insurance was to be offered. Corn and tobacco were included on an experimental basis, with coverage limited to 20 representative counties for each commodity. The results of this second phase of operations is shown in the following table:

*Crop insurance—gain or loss from insurance operation, crop years 1945 and 1946*

	1945	1946 <sup>1</sup>
Wheat	+\$828,552.73	+\$5,446,536.71
Cotton	-15,243,622.30	-41,620,044.02
Flax	+574,191.57	-566,240.25
Corn:		
Yield	-284,991.86	-6,149.00
Investment	+24,801.29	+47,599.24
Tobacco	+148,949.02	+568,700.00

<sup>1</sup> Estimated.

NOTE.—Plus (+) indicates gain; minus (−) indicates loss.

With the exception of cotton, the results in terms of gain or loss during the past 2 years have not been too unsatisfactory. The losses on cotton, however, are not such as can be countenanced in a sound insurance program, and there is no present assurance that a similar situation will not develop with regard to wheat if the current cycle of exceptionally favorable wheat years should suddenly end. To put it briefly, the committee believes that the present crop-insurance program is, on the whole, neither sound insurance nor profitable experimentation.

#### DEVELOPMENT A LONG-TIME PROJECT

The committee believes it should be recognized that the development of a sound crop insurance program covering even the major agricultural commodities on a Nation-wide basis is a long-time project that may well take years in its accomplishment. It has taken many years, the experience and intelligence of many individuals, and the investment and loss of millions of dollars to develop other forms of casualty insurance to the sound position they now occupy. In the course of that development, hundreds of insurance companies were formed and went bankrupt, hundreds of types of insurance were tried and found wanting, and millions of individual investors and policyholders ventured and lost their own money in the trial and error experiments which eventually contributed to the welfare of the Nation as a whole. In crop insurance, at least, those who could least afford it—the policyholders who thought they had purchased protection—have not been required to foot the whole bill for the national experiment.

If crop insurance is to succeed in the United States, it must fulfill two basic requirements: (1) It must be sound from a business standpoint—capable of “paying its own way” and operating without loss to the Government; (2) it must offer farmers a type of insurance they want and are willing and able to pay for.

#### FARMERS ENTITLED TO EXPERIMENTAL PROGRAM

The committee believes that it is possible eventually to write crop insurance that will meet both these basic qualifications. It does not believe that this can be accomplished overnight nor that it is reasonable to expect that a half-dozen crop seasons of experience will achieve for crop insurance what it took other forms of commodity insurance many years of trial and error to develop. The committee is convinced, however, that the best interests of farmers themselves will be most truly served if the Public Treasury is protected against excessive loss, by curtailment of the insurance program during its development period to the smallest scale consistent with effective experimentation, and expanding it later only when experience has indicated that a sound insurance plan has been worked out.

The committee has, therefore, prepared this bill (H. R. 3465), placing the crop insurance program on a strictly experimental basis and providing the Crop Insurance Corporation with the latitude of operation and the authority which it believes to be necessary to the carrying out of a truly experimental program. The details of the proposed program are explained in the analysis of the bill.

## ANALYSIS OF THE BILL

Section 1.—Amends and revises in its entirety subsection (a) of section 508 of the act. It places all crop insurance on an experimental basis, limits the scope of the program to a specified number of counties, limits insurance liability to the amount of the farmer's investment in the crop, and provides the authority for development of insurance along several different lines.

Page 1, lines 5 to 8: It is to be noted that the program herein authorized begins with the crop year 1948. Insurance for the crop year 1947 has already been contracted. The crop insurance appropriation to be made for the fiscal year 1948 is to pay for the 1947 program, on which contracts with farmers have already been written under the authority of existing law. Under the committee's bill, the appropriation for the crop year 1948 can be substantially reduced.

Page 1, line 9: This provision gives the Crop Insurance Board authority to reinsure private insurance companies which may wish to undertake the development of crop insurance. One of the difficulties of Federal crop insurance programs has been the inability to hire top-flight insurance actuaries and executives because they receive salaries in the \$25,000 bracket, which the Government cannot match. Private insurance companies have been interested in crop insurance in the past. The committee sees no reason why crop insurance should be written exclusively by the Federal Government, if it can be made available through private companies, as other insurance is.

The committee believes that private insurance companies should be encouraged to reenter this field and put their experienced actuaries and executives to work on the problem of crop insurance. This provision makes it possible for the Corporation to reinsure such private insurance undertakings so as to assume part of the risk and guard the companies against excessive loss. The same limitations that apply to insurance written by the Corporation (20 counties per commodity, etc.) apply to reinsurance.

Page 1, line 11: Coupled with other language in the act, this provision authorizes—among other possible plans—the issuance of insurance through area associations of farmers which would bear part of the responsibility of insurance.

Page 2, line 2: The words "while in the field" make it plain that crop insurance is to apply to growing crops, not to commodities in storage on the farm or elsewhere.

Page 2, lines 13 to 19: This provision limits insurance liability to the general level of the amount of the farmer's investment in the crop at the time the loss takes place. The other provisions are a restatement of existing law.

Page 2, line 25: This will permit insurance on two additional crops in 1948.

Page 3, lines 5 to 9: Wheat is reduced to an experimental basis in order to make the entire program consistent and to give the Board an opportunity to develop wheat insurance that more nearly meets the needs of farmers in the major wheat areas. At the present time the insurance seems relatively unattractive to farmers in the Plains area. Five States (Ohio, Indiana, Illinois, Michigan, and Missouri) each have more wheat contracts than Kansas. Corn has been on an

experimental basis, with a limit of 20 counties. Cotton has been on a general basis and has been insured in 658 counties in recent years. Flax insurance has been written in about 150 counties. Tobacco has been on an experimental basis, limited to 20 counties.

Page 3, line 13: This amendment raises the minimum participation from 50 to 200 farms per county.

Page 3, lines 15 to 19: This is a new provision.

Page 3, line 19: The word "refuse" in this line is new. One of the major difficulties in writing crop insurance has been the elimination of the individual bad risk. It is anticipated that, particularly with the development of local crop insurance associations or boards, there will be a far greater elimination of individual bad risks than has been possible in the past.

*Sections 2 and 3.*—These two sections amend subsections (b) and (c) of section 508 to permit the Corporation to place a predetermined value on the commodity insured. This will greatly simplify administration of the act, will eliminate the necessity for hedging operations by the Corporation, and will let the farmer know in advance exactly what his liability or his insurance amounts to in dollars and cents.

Under the present law, there is no authority to place such a predetermined value on insured crops. Insurance is written, therefore, in terms of the commodity insured—both premium and indemnity being stated in terms of bushels or pounds. Actually, however, the transaction nearly always takes place in cash.

Insurance contracts are written before the crop is planted with premiums normally due and payable at harvesttime. Claims are ordinarily not submitted until several months after harvest. In order to protect itself against possible price increases between the time the premiums are received and the time indemnities are paid, the Corporation has to hedge by actually buying and storing a bushel of grain or a pound of cotton for every such premium paid in cash. This adds considerably to the administrative expenses and also requires the expenditure of large sums for storage. This will be eliminated under the authorization in these sections, and both the Corporation and the farmer will know in advance what the cash premium or indemnity will amount to.

*Section 4.*—This section revises in its entirety the declaration of purpose of the act. The committee believes that one of the fundamental things wrong with crop insurance is that too many people—including some within the Department of Agriculture—have continued to regard it as a form of farm relief or subsidy, instead of a business-like insurance program.

This misconception has been fostered by the act's declaration of purpose, which refers to "alleviating the economic distress" and "maintaining the purchasing power of farmers," and to "providing for stable supplies of agricultural commodities"—which indicated that it was part of the "ever normal granary" idea. The committee believes that the basic purpose of the act is to provide sound insurance for all farmers—not an additional subsidy for a few farmers—and it has, therefore, revised the declaration of purpose to make it state the present purpose of the act.

*Section 5.*—Contracts for wheat insurance, and some others, have been sold on a 3-year basis. Many such contracts will have to be terminated because the insurance will no longer be available in the

county where the acreage is located. In the absence of this specific provision terminating such contracts, separate action to cancel each contract would have to be taken by the Corporation.

*Section 6.*—This section amends subsection (d) of section 507 of the act. One of the other handicaps with which crop insurance has had to contend is that it has been regarded by the Department of Agriculture as a kind of stepchild. Under the administrative plan of the Department, the field work has been carried on exclusively by the AAA and its county committees. Arrangements for this work have been made with the AAA on a national scale, crop insurance funds have been allotted to the AAA for the service to be rendered, and the work has been carried on through AAA county committees and offices.

As a natural result of this kind of arrangement, crop insurance has been a side-line operation in the field. It has been directed and conducted in some counties by men who had little or no interest in the program and have been primarily concerned with other duties.

Without speculating on the damage this may have done to crop insurance in the past, the committee is firmly of the opinion that if the experimental program herein authorized is to obtain the actuarial data and other experience which are essential to a sound insurance program, the entire administration of the act, from top to bottom, must be in the hands of men whose primary interest and responsibility is crop insurance.

Incidentally, it is believed that for the present, at least, many State and regional offices and administrators can be eliminated. This will result in a substantial saving in administrative expense.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### FEDERAL CROP INSURANCE ACT, AS AMENDED

SEC. 508. To carry out the purposes of this title the Corporation is authorized and empowered—

(a) (1) Commencing with the wheat, cotton, and flax crops planted for harvest in 1945, to insure, upon such terms and conditions not inconsistent with the provisions of this title as it may determine, producers of wheat, cotton, and flax against loss in yields due to unavoidable causes including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Such insurance shall cover a percentage to be determined by the Board not in excess of 75 per centum of the recorded or appraised average yield of such commodities on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just. Such insurance shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. Insurance shall not be provided in any county unless written applications therefor are filed covering at least fifty farms or one-third of the farms normally producing the agricultural commodities authorized to be insured, except that insurance may be provided for producers on farms situated in a local producing

area bordering on a county with crop-insurance program. The Board may limit insurance in any county or area, or on any farm, on the basis of the insurance risk involved.

(2) For the purpose of determining the most practical plan, terms, and conditions of insurance with respect to corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugarcane, timber and forests, potatoes and other vegetables, citrus and other fruits, tame hay, and any other agricultural commodity, if sufficient actuarial data are available, as determined by the Board, to insure upon such terms and conditions not inconsistent with the provisions of this title as it may determine, producers of such agricultural commodities against loss due to the unavoidable causes covered in paragraph (1) of this subsection: *Provided*, That such insurance shall be limited in 1945 to corn and tobacco and to not more than three additional crops for each year thereafter. Insurance provided for any agricultural commodity under this paragraph shall be subject to the limitations and conditions provided in paragraph (1) of this subsection, shall be for a period of not more than three years, and shall be limited to producers in not to exceed twenty counties selected by the Board as representative of the several areas where the agricultural commodity is normally produced: *Provided, however*, That such insurance may cover a percentage not in excess of 75 per centum of the investment in the crop, as determined by the Board. The Corporation shall report annually to the Congress the results of its operations as to each commodity under this paragraph.]

(a) Commencing with crops planted for harvest in 1948, for the purpose of determining the most practical plan, terms, and conditions of insurance for agricultural commodities, if sufficient actuarial data are available, as determined by the Board, to insure, or to reinsure insurers of, producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity. Such insurance shall be against loss of the insured commodity while in the field due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Any insurance offered against loss in yield shall not cover in excess of 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: *Provided*, That if 75 per centum of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum percentage so as more nearly to reflect the investment in the crop in such area. Insurance provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. In 1948 insurance shall be limited to not more than seven crops (including wheat, cotton, flax, corn, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity, except wheat, cotton, flax, corn, and tobacco, shall be limited to producers in not to exceed twenty counties. Insurance for wheat, corn, and cotton shall be limited to producers in not to exceed fifty counties, and for flax and tobacco to producers in not to exceed twenty-five counties, for each such commodity. Counties selected by the Board shall be representative of the several areas where the agricultural commodity insured is normally produced. Insurance shall not be provided in any county unless written applications therefor are filed covering at least two hundred farms or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured.

(b) To fix adequate premiums for insurance in the agricultural commodity or in cash, at such rates as the Board deems sufficient to cover claims for crop losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses [.] : *Provided*, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of an average market price designated by the Board. Such premiums shall be collected at such time or times, or shall be secured in such manner, as the Board may determine: *Provided*, That;

after the crop year of 1949, not more than a sum equivalent to 25 per centum of the premiums collected in the preceding year (beginning calculation of premiums collected in the crop year of 1949) shall be used for administrative expenses in any current operating year.

(c) To adjust and pay claims for losses in the agricultural commodity or in cash, under rules prescribed by the Board: *Provided, [however,] That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid: Provided further, That, after the crop year of 1949, if the total amount of accumulated claims for losses on any agricultural commodity for any year exceeds the total amount of the premiums collected less the accumulated premium reserves of the Corporation with respect to any such commodity (which reserves, after the crop year of 1948, shall not be less than 10 per centum of the premiums collected on such commodity), such claims shall be paid on a pro rata reduced basis.* The Corporation shall provide for the posting annually in each county at the county courthouse of a list of indemnities paid for losses on farms in such county. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided, That no suit on such claim shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant.*

SEC. 502. It is the purpose of this title to promote *[the national welfare by alleviating the economic distress caused by crop failures due to drought and other causes, by maintaining the purchasing power of farmers, and by providing for stable supplies of agricultural commodities for domestic consumption and the orderly flow thereof in interstate commerce.] the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance.*

SEC. 507. (a) The Secretary shall appoint such officers and employees as may be necessary for the transaction of the business of the Corporation, which appointments may be made without regard to the civil-service laws and regulations, fix their compensation in accordance with the provisions of the Classification Act of 1923, as amended, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require bond of such of them as he may designate, and fix the penalties and pay the premiums of such bonds. The appointment of officials and the selection of employees by the Secretary shall be made only on the basis of merit and efficiency.

(b) Insofar as applicable, the benefits of the Act entitled "An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, shall extend to persons given employment under the provisions of this title, including the employees of the committees and associations referred to in subsection (c) of this section and the members of such committees.

(c) The Board may establish or utilize committees or associations of producers in the administration of this title and make payments to such committees or associations to cover the estimated administrative expenses to be incurred by them in cooperating in carrying out this title and may provide that all or part of such estimated expenses may be included in the insurance premiums provided for in this title.

(d) The Secretary of Agriculture may allot to bureaus and offices of the Department of Agriculture or transfer to such other agencies of the State and Federal Governments as he may request to assist in carrying out this title any funds made available pursuant to the provisions of section 516 of this Act *[.] except that employees or agencies responsible for administering this Act in each county shall be selected and designated by the Corporation and shall be responsible directly to the Corporation without the intervention of any intermediate office or agency.*

(e) In carrying out the provisions of this title the Board may, in its discretion, utilize producer-owned and producer-controlled cooperative associations.



# Union Calendar No. 232

80TH CONGRESS  
1ST SESSION

# H. R. 3465

[Report No. 470]

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## IN THE HOUSE OF REPRESENTATIVES

MAY 14, 1947

Mr. HILL introduced the following bill; which was referred to the Committee on Agriculture

MAY 27, 1947

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Insert the part printed in italic]

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## A BILL

To amend the Federal Crop Insurance Act.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That subsection (a) of section 508 of the Federal Crop  
4       Insurance Act, as amended, is amended to read as follows:  
5       “(a) Commencing with crops planted for harvest in  
6       1948, for the purpose of determining the most practical  
7       plan, terms, and conditions of insurance for agricultural  
8       commodities, if sufficient actuarial data are available, as  
9       determined by the Board, to insure, or to reinsurance insurers  
10      of, producers of such agricultural commodities under any plan

1 or plans of insurance determined by the Board to be adapted  
2 to any such commodity. Such insurance shall be against loss  
3 of the insured commodity *while in the field* due to unavoidable  
4 causes, including drought, flood, hail, wind, frost, winter-  
5 kill, lightning, fire, excessive rain, snow, wildlife, hurricane,  
6 tornado, insect infestation, plant disease, and such other  
7 unavoidable causes as may be determined by the Board.  
8 Any insurance offered against loss in yield shall not cover  
9 in excess of 75 per centum of the recorded or appraised  
10 average yield of the commodity on the insured farm for  
11 a representative period subject to such adjustments as the  
12 Board may prescribe to the end that the average yields  
13 fixed for farms in the same area, which are subject to the  
14 same conditions, may be fair and just: *Provided*, That, if  
15 75 per centum of the average yield represents generally  
16 more protection than the investment in the crop in any  
17 area, taking into consideration recognized farming practices,  
18 the Board shall reduce such maximum percentage so as  
19 more nearly to reflect the investment in the crop in such  
20 area. Insurance provided under this subsection shall not  
21 cover losses due to the neglect or malfeasance of the pro-  
22 ducer, or to the failure of the producer to reseed to the  
23 same crop in areas and under circumstances where it is  
24 customary to so reseed, or to the failure of the producer to  
25 follow established good farming practices. In 1948 insur-

1 ance shall be limited to not more than seven crops (in-  
2 cluding wheat, cotton, flax, corn, and tobacco) and to not  
3 more than three additional crops in each year thereafter.  
4 Insurance provided for any agricultural commodity, except  
5 wheat, cotton, flax, corn, and tobacco, shall be limited to  
6 producers in not to exceed twenty counties. Insurance  
7 for wheat, corn, and cotton shall be limited to producers  
8 in not to exceed fifty counties, and for flax and tobacco to  
9 producers in not to exceed twenty-five counties, for each  
10 such commodity. Counties selected by the Board shall be  
11 representative of the several areas where the agricultural  
12 commodity insured is normally produced. Insurance shall  
13 not be provided in any county unless written applications  
14 therefor are filed covering at least two hundred farms or  
15 one-third of the farms normally producing the agricultural  
16 commodity; nor shall insurance of any agricultural com-  
17 modity be provided in any county in which the Board  
18 determines that the income from such commodity constitutes  
19 an unimportant part of the total agricultural income of the  
20 county. The Board may limit or refuse insurance in any  
21 county or area, or on any farm, on the basis of the insur-  
22 ance risk involved. The Corporation shall report annually  
23 to the Congress the results of its operations as to each  
24 commodity insured."

25 SEC. 2. Subsection (b) of section 508 of the Federal

1 Crop Insurance Act, as amended, is amended by striking  
2 out the period at the end of the first sentence and inserting in  
3 lieu thereof a colon and the following: “*Provided*, That such  
4 premiums may be established on the basis of the parity or  
5 comparable price for the commodity as determined and pub-  
6 lished by the Secretary of Agriculture, or on the basis of an  
7 average market price designated by the Board.”

8 SEC. 3. Subsection (c) of section 508 of the Federal  
9 Crop Insurance Act, as amended, is amended by striking out  
10 in the first sentence “*however*,” and inserting in lieu thereof  
11 “That indemnities may be determined on the same price basis  
12 as premiums are determined for the crop with respect to  
13 which such indemnities are paid: *Provided further*,”.

14 SEC. 4. Section 502 of the Federal Crop Insurance Act,  
15 as amended, is amended to read as follows:

16 “SEC. 502. It is the purpose of this title to promote the  
17 national welfare by improving the economic stability of  
18 agriculture through a sound system of crop insurance and  
19 providing the means for the research and experience helpful  
20 in devising and establishing such insurance.”

21 SEC. 5. Nothing in this Act shall be construed to affect  
22 the validity of any insurance contract entered into prior to the  
23 enactment of this Act insofar as such contract covers the  
24 1947 crop year. Any such contract which purports to cover  
25 a crop in the 1948 or any subsequent crop year in any county

1 in which insurance on such crop will be discontinued pursuant  
2 to this Act is hereby terminated at the end of the 1947 crop  
3 year.

4 SEC. 6. Subsection (d) of section 507 of the Federal  
5 Crop Insurance Act, as amended, is amended by striking out  
6 the period at the end of the subsection and inserting a comma  
7 and the following: "except that employees or agencies  
8 responsible for administering this Act in each county shall be  
9 selected and designated by the Corporation and shall be  
10 responsible directly to the Corporation without the inter-  
11 vention of any intermediate office or agency."

80TH CONGRESS      H. R. 3465  
1ST SESSION

[Report No. 470]

## A BILL

To amend the Federal Crop Insurance Act.

By Mr. Hull

MAY 14, 1947

Referred to the Committee on Agriculture

MAY 27, 1947

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

**Mr. MARTIN** of Iowa: Committee on Post Office and Civil Service. H. R. 1389. A bill to amend the Veterans' Preference Act of 1944; with an amendment (Rept. No. 465). Referred to the Committee of the Whole House on the State of the Union.

**Mr. WELCH**: Committee on Public Lands. H. R. 2005. A bill to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments"; without amendment (Rept. No. 466). Referred to the Committee of the Whole House on the State of the Union.

**Mr. WELCH**: Committee on Public Lands. H. R. 2411. A bill to authorize patenting of certain lands to Public Hospital District No. 2, Clallam County, Wash., for hospital purposes; without amendment (Rept. No. 467). Referred to the Committee of the Whole House on the State of the Union.

**Mr. WELCH**: Committee on Public Lands. H. R. 2572. A bill to permit the sale of liquor to Indians outside Indian country; with an amendment (Rept. No. 468). Referred to the House Calendar.

**Mr. WELCH**: Committee on Public Lands. H. R. 2852. A bill to provide for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area, in the State of Kentucky; without amendment (Rept. No. 469). Referred to the Committee of the Whole House on the State of the Union.

**Mr. HOPE**: Committee on Agriculture. H. R. 3465. A bill to amend the Federal Crop Insurance Act; with an amendment (Rept. No. 470). Referred to the Committee of the Whole House on the State of the Union.

**Mr. DIRKSEN**: Committee on the District of Columbia. H. R. 3547. A bill to authorize funds for ceremonies in the District of Columbia; without amendment (Rept. No. 472). Referred to the Committee of the Whole House on the State of the Union.

**Mr. BATES** of Massachusetts: Committee on the District of Columbia. H. R. 3611. A bill to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; with an amendment (Rept. No. 473). Referred to the Committee of the Whole House on the State of the Union.

**Mr. ELSTON**: Committee on Armed Services. H. R. 3252. A bill to authorize the Secretary of the Navy to convey to the city of Long Beach, Calif., for street purposes, an easement in certain lands within the Navy housing project at Long Beach, Calif.; without amendment (Rept. No. 474). Referred to the Committee of the Whole House on the State of the Union.

**Mr. ELSTON**: Committee on Armed Services. H. R. 3053. A bill to authorize the Secretary of the Navy to convey to the Territory of Hawaii an easement for public highway and utility purposes in certain parcels of land in the district of Ewa, T. H.; without amendment (Rept. No. 475). Referred to the Committee of the Whole House on the State of the Union.

**Mr. ELSTON**: Committee on Armed Services. H. R. 3056. A bill to authorize the Secretary of the Navy to convey to the city of Macon, Ga., and Bibb County, Ga., an easement for public road and utility purposes in certain Government-owned lands situated in Bibb County, Ga., and for other purposes; without amendment (Rept. No. 476). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

**Mr. ALLEN** of California: Committee on the District of Columbia. H. R. 3604. A bill to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; without amendment (Rept. No. 471). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROW:

H. R. 3623. A bill to provide that members of the Communist Party shall be ineligible for veterans' benefits, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. GEARHART:

H. R. 3624. A bill to provide percentage depletion for fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, ball and sagger clay, rock asphalt, and thenardite with respect to taxable years beginning after December 31, 1946; to the Committee on Ways and Means.

By Mr. HARRISON:

H. R. 3625. A bill relating to the promotion of certain former members of the Army of the United States wounded or injured in combat and hospitalized for 18 months or more as a result of such wound or injury; to the Committee on Armed Services.

By Mrs. NORTON:

H. R. 3626. A bill to authorize the Federal Works Administrator to make grants to non-profit private agencies in the District of Columbia with respect to hospital facilities in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. SIMPSON of Pennsylvania:

H. R. 3627. A bill to amend the Social Security Act with respect to State plans for aid to the blind; to the Committee on Ways and Means.

By Mr. WELCH:

H. R. 3628. A bill to revise the method of issuing patents for public lands; to the Committee on Public Lands.

By Mr. ANDREWS of New York:

H. R. 3629. A bill to authorize the transfer to the Panama Canal of property which is surplus to the needs of the War Department or Navy Department; to the Committee on Armed Services.

H. R. 3630. A bill to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess.; 60 Stat. 963), and for other purposes; to the Committee on Armed Services.

By Mr. ELSTON:

H. R. 3631. A bill to amend the Articles for the Government of the Navy to improve the administration of naval justice; to the Committee on Armed Services.

By Mr. BATES of Kentucky:

H. R. 3632. A bill to extend the time within which applications may be made to the Railroad Retirement Board for certain refunds from the unemployment trust fund; to the Committee on Interstate and Foreign Commerce.

By Mr. FARRINGTON:

H. R. 3633. A bill to amend section 203 of the Hawaiian Homes Commission Act, designating certain public lands as available homelands; to the Committee on Public Lands.

H. R. 3634. A bill to amend section 83 of the Hawaiian Organic Act to provide that

women may serve on juries in the Territory of Hawaii; to the Committee on Public Lands.

H. R. 3635. A bill to ratify sections 1 and 2 of Joint Resolution 7 enacted by the Legislature of the Territory of Hawaii in its regular session of 1947; to the Committee on Public Lands.

By Mr. FORAND:

H. R. 3636. A bill to amend the Social Security Act to enable States to establish more adequate public-welfare programs, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILLIPS of California:

H. R. 3637. A bill granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission; to the Committee on Merchant Marine and Fisheries.

By Mr. REES:

H. R. 3638. A bill to amend section 10 of the act establishing a National Archives of the United States Government; to the Committee on Post Office and Civil Service.

By Mr. HOBBES:

H. R. 3639. A bill to provide for trials of and judgments upon the issue of good behavior in the case of certain judges; to the Committee on the Judiciary.

By Mr. MACKINNON:

H. Res. 219. Resolution to amend rule XIV of the Rules of the House of Representatives; to the Committee on Rules.

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to increase Federal aid to the Veterans' Home of California, at Yountville; to the Committee on Veterans' Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. ALLEN of California:

H. R. 3640. A bill for the relief of Mrs. Charlotte D. Wang, Harvey S. P. Wang, and Arthur Y. P. Wang; to the Committee on the Judiciary.

By Mr. FOOTE:

H. R. 3641. A bill for the relief of Mrs. Helen E. Scofield; to the Committee on the Judiciary.

By Mr. KENNEDY (by request):

H. R. 3642. A bill for the relief of Michael A. Driscoll; to the Committee on the Judiciary.

By Mr. KEOUGH:

H. R. 3643. A bill for the release of Mrs. Maria V. Yosco and family; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 3644. A bill for the relief of James M. Dingwall, Eileen Reynolds, W. G. Peterson, Bert Wooldrige, and Maisie Purser Davis; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

576. By Mr. McGREGOR: Petition of members of Local 735, American Federation of Teachers; Local 22625, Eagle Rubber Co.; Local 604, International Union of Operating Engineers; Local 319, Myers Moulders; Local 294, United Garment Workers; and Local 200,

International Brotherhood of Bookbinders, of Ashland County, Ohio, petitioning the Congress of the United States protesting the reduction of income tax on a percentage basis and suggesting instead that an exemption be made up to \$3,000 for married persons and up to \$1,500 for single persons; to the Committee on Ways and Means.

577. By Mr. SABATH: Petition of the Sixty-fifth General Assembly of Illinois, petitioning the Congress to investigate the obvious

advantages of locating the proposed atomic-energy laboratory in some Government-owned area; to the Joint Committee on Atomic Energy.

578. Also, petition of the City Council of the City of Chicago, urging the prompt enactment of Wagner-Taft-Ellender housing bill; to the Committee on Banking and Currency.

579. By the SPEAKER: Petition of the membership of the Safety Harbor Townsend

Club, No. 1, Safety Harbor, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

580. Also, petition of Miss Emma MacKay, Townsend Club, No. 1, Boynton Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.





# FEDERAL CROP INSURANCE

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## HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE AND FORESTRY

UNITED STATES SENATE

EIGHTIETH CONGRESS

FIRST SESSION

ON

## S. 1326

A BILL TO AMEND THE FEDERAL  
CROP INSURANCE ACT

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JUNE 20, 1947

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Printed for the use of the Committee on Agriculture and Forestry



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GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1947

COMMITTEE ON AGRICULTURE AND FORESTRY

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# FEDERAL CROP INSURANCE

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FRIDAY, JUNE 20, 1947

UNITED STATES SENATE,  
COMMITTEE ON AGRICULTURE AND FORESTRY,  
*Washington, D. C.*

The committee met, at 10:15 a. m., pursuant to call, in room 324, Senate Office Building, Senator Arthur Capper (chairman) presiding.

Present: Senators Capper (chairman), Aiken, Thye, and Hoey.

The CHAIRMAN. The committee will come to order. We have for consideration this morning S. 1326, a bill to amend the Federal Crop Insurance Act. This bill was introduced by Senator Aiken for himself and Senator McClellan. We will insert a copy of the bill at this point in the record.

(The bill is as follows:)

[S. 1326, 80th Cong., 1st sess.]

A BILL To amend the Federal Crop Insurance Act.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(a) (1) Commencing with crops planted for harvest in 1948, to insure producers of the agricultural commodities authorized to be insured by paragraphs (2) and (3) of this subsection, upon such terms and conditions not inconsistent with the provisions of this title as it may determine, against loss due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Such insurance shall not cover in excess of 75 per centum of the recorded or appraised average yield of such commodities on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: *Provided*, That if 75 per centum of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum per centum so as more nearly to reflect the investment in the crop in such area. Such insurance shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to do so, or to the failure of the producer to follow established good farming practices. Insurance shall not be provided in any county unless written applications therefor are filed covering at least two hundred farms, or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured.

"(2) To insure producers of wheat in not to exceed six hundred and thirty-three counties, and producers of flax in not to exceed eighty-seven counties: *Provided*,

That insurance may be offered to such producers in selected counties in accordance with the provisions of paragraph (3) of this subsection, if the Board so determines.

"(3) For the purpose of determining the most practical plan, terms, and conditions of insurance with respect to cotton, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugarcane, timber and forests, potatoes and other vegetables, citrus and other fruits, tame hay, and any other agricultural commodity, if sufficient actuarial data are available, as determined by the Board, to insure producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity, notwithstanding any other provision of this title: *Provided*, That such insurance shall be limited in 1948 to not more than five crops (exclusive of wheat and flax, but including corn, cotton, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity under this paragraph, except corn, cotton, and tobacco, shall be limited to producers in not to exceed twenty counties selected by the Board as representative of the several areas where the agricultural commodity is normally produced. In the case of corn and tobacco, such insurance shall be limited to producers in not to exceed fifty such counties; and, in the case of cotton, such insurance shall be limited to producers in not to exceed fifty-six such counties."

SEC. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(b) To fix adequate premiums for insurance in the agricultural commodity or in cash, at such rates as the Board deems sufficient to cover claims for crop losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses: *Provided*, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of such other fixed price as the Board may determine. Such premiums shall be collected at such time or times, or shall be secured in such manner, as the Board may determine."

SEC. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(c) To adjust and pay claims for losses in the agricultural commodity or in cash, under rules prescribed by the Board: *Provided*, That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid. The Corporation shall provide for the posting annually in each county at the county courthouse of a list of indemnities paid for losses on farms in such county. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided*, That no suit on such claims shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant."

SEC. 4. Subsection (e) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(e) Commencing with the 1948 crop, to provide, upon such terms and conditions as the Board may determine, reinsurance to private insurance companies which insure producers of any agricultural commodity under contracts acceptable to the Corporation and consistent with the provisions of this title: *Provided*, That reinsurance for private insurance companies shall be limited to contracts covering farms in not to exceed twenty counties selected by the Board."

SEC. 5. Section 508 of the Federal Crop Insurance Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(f) Beginning with the 1948 crop, if the Board shall so determine, to establish local insurance areas (county, or larger contiguous area determined by the Board), and operate, through local associations established under the provision of section 507 (c) of this title, a plan of insurance in any such area which would provide for premium assessments in any year following a year in which the accumulated losses (exclusive of any amount drawn from reserves of the Corporation) or any agricultural commodity in the area exceed the accumulated premiums (less any amount credited to reserves of the Corporation) on such commodity, such assessments to be continued until the accumulated premiums (less any amount credited to reserves of the Corporation) exceed the accumulated losses (exclusive of any amount drawn from reserves of the Corporation): *Provided*, That no such assess-

ment shall be made against new insured producers for the first year of insurance."

SEC. 6. Subsections (a) and (b) of section 504 of the Federal Crop Insurance Act are amended by striking out "\$100,000,000" and inserting in lieu thereof "\$150,00,000".

SEC. 7. Subsection (d) of section 506 of the Federal Crop Insurance Act is amended to read as follows:

"(d) Subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property."

SEC. 8. Section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 505. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the 'Board') subject to the general supervision of the Secretary of Agriculture. The Board shall consist of the manager of the Corporation, two other persons employed in the Department of Agriculture, and two persons experienced in the insurance business who are not otherwise employed by the Government. The Board shall be appointed by, and hold office at the pleasure of the Secretary of Agriculture, who shall not, himself, be a member of the Board.

"(b) Vacancies in the Board so long as there shall be three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three of the members in office shall constitute a quorum for the transaction of the business of the Board.

"(c) The Directors of the Corporation who are employed in the Department of Agriculture shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia. The members of the Board who are not employed by the Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed \$100 per day each when actually employed and necessary traveling and subsistence expenses when engaged in business of the Corporation away from their homes or regular places of business.

"(d) The manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture."

SEC. 9. The provisions of law amended by this Act shall be deemed to continue in full force and effect for purposes of carrying out the provisions of insurance contracts entered into prior to the enactment of this Act.

The CHAIRMAN. We are to hear from Mr. Geissler this morning. We will be glad to hear you, Mr. Geissler.

#### STATEMENTS OF GUS F. GEISSLER, MANAGER, FEDERAL CROP INSURANCE CORPORATION; ELDON COLBY, CHIEF, ACTUARIAL DIVISION, FEDERAL CROP INSURANCE CORPORATION; CARL FRETTS, CHIEF, FISCAL DIVISION, FEDERAL CROP INSURANCE CORPORATION; AND WILLIAM ROWE, CHIEF, PROGRAM PLANNING DIVISION, FEDERAL CROP INSURANCE CORPORATION, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. GEISSLER. This bill, S. 1326, provides for a number of major changes in the Federal crop insurance program. Before going into the details of the bill, I would like to sketch very briefly the history of the crop insurance program, the current situation, and the problems that exist. The operations of Federal crop insurance fall logically into two parts: First, the 5 years before the suspension of active operations at the end of the 1943 crop; and second, the period after revival

of the program covering completed operations for the 1945 and 1946 crops and the insurance presently in force on the 1947 crop.

Legislation was first passed in 1938 providing only for insurance of wheat, and wheat insurance was written on the 1939, 1940, and 1941 crops before any cotton was insured. Both cotton and wheat were insured on the 1942 and 1943 crops.

The method of insurance followed closely the original act, which was rather specific with regard to the plan of insurance. Insurance was against loss of yield only, with the amount of insurance based on 75 or 50 percent of the average yield for the insured farm. This method had been recommended by the President's Committee on Crop Insurance in 1936 because such insurance involved only the guarantee of physical production. Previous attempts at crop insurance by private companies had guaranteed a return from the crop and this type of insurance in most cases proved disastrous because the returns had been seriously curtailed by price declines.

This program was set up on a basis of insurance only against loss of yield with premiums and indemnities computed in bushels but payable in the cash equivalent price thereof.

During the first 5 years of wheat crop insurance, net losses were sustained every year.

Cotton insurance was set up along very similar lines to the wheat insurance although provision was made for supplemental insurance on the cottonseed. The program was started during the war years and the amount of participation was not as high as desired. Net losses occurred in each of the years 1942 and 1943.

Due to losses on both wheat and cotton in each year of the program the first 5 years, insurance activities were stopped by appropriation legislation in the summer of 1943. During the crop year 1944 there was no insurance written on any crops.

The program was carefully studied by the agricultural committees of both the House and the Senate before reinstatement of the program by legislation approved in December 1944.

One of the features given particular attention by the Corporation and by the congressional committees was the high indemnities paid for losses during the early part of the growing season when neither the investment in the crop nor the value of the growing crop was large and when, often, the land could be put to a substitute use. Another feature was the necessity of avoiding insurance on exceptionally high-risk farms.

Other features considered were the general level of premium rates, the problem of selectivity, and the need for adequately supervised loss adjustments.

At that time the members of the congressional committees felt that caution was needed on entering upon insurance for other commodities and provided a plan whereby insurance would first be tried out experimentally in a small number of counties.

Under that plan, corn and tobacco have been insured during the years 1945, 1946, and 1947 in not over 20 counties each. Insurance of flax was added on a Nation-wide basis rather than an experimental basis probably because at that time the need for flax was serious during the war and special incentives were being placed on its production.

Numerous changes were made upon reinstatement of the program. The principal changes were as follows:

1. All insurance contracts provided for smaller indemnities on early-season losses that resulted in the abandonment of the crop. This provision keeps the amount of protection more in line with the investment in the crop and avoids overinsurance in the early stages.

2. More emphasis has been placed on selling the 50 percent insurance rather than the 75 percent insurance in order to keep the coverage low.

3. Certain farms in certain areas have been designated as noninsurable because of high or uncertain risks. Other farms of above average risk have been charged extra premium.

4. The general level of premium rates has been substantially increased.

5. Wheat contracts were sold on a 3-year basis to avoid selectivity.

6. The Corporation set up its own loss adjustment organization, training and supervising adjusters so as to improve this phase of the work. Loss adjustments have been spotchecked.

The results of the changes that were made appear to have placed four of the five commodities insured on a much sounder basis. On wheat, flax, tobacco, and corn the programs during the last 2 years have operated at a profit or with fairly small losses.

However, with respect to cotton there have been very heavy losses in both 1945 and 1946. These losses on cotton have been in part due to bad crop conditions in many of the cotton areas but it appears that the changes made in 1945 have not placed cotton insurance on a sound operating basis.

As I review the crop insurance at this time, I feel that the changes made by the Congress and by the Corporation in 1945, which was before I became manager, were very desirable. In looking it over 2 or 3 years later, I do not feel that they went far enough. The development of any satisfactory insurance is an evolutionary process. Existing forms of private insurance were not perfected within a short period. Those forms of insurance have been in a period of development for many years and improvements are still being made.

I believe that when the Federal crop insurance was first set up 9 or 10 years ago, it was the feeling of most persons at that time that this was something of an experiment and as such was confined to wheat. It is my understanding, however, that it was felt that as experience was gained and satisfactory forms of insurance were developed, that the insurance would be expanded to cover other commodities.

My own feeling is that the Congress 3 years ago developed a better plan of approaching the insurance of additional commodities by authorizing the experimental insurance. This enables the Government to develop satisfactory forms of insurance without excessive loss or cost to the Government.

Perhaps it would have been better if the program had been originally started that way. Experiments on a Nation-wide scale have been expensive. Much experimentation and development has already been carried out and I believe that on wheat insurance we have arrived at a reasonably satisfactory type of insurance.

In fact, we are anticipating a profit on that insurance again this year and it is quite probable that most of the deficit for the early years of the program will have been offset.

While the insurance of flax is relatively new to us, its operations are very similar to wheat insurance and it has been carried on during the last 2 years without a loss. I believe some changes, such as restricting

the amount of insurance to a figure approximating the investment, would make this insurance somewhat safer from the point of view of the Government but, by and large, I would say that the biggest phase of development on this program has already passed, speaking of flax and wheat.

It does seem to me desirable that the number of counties where wheat and flax insurance is offered be restricted as provided for in this bill.

In many counties wheat is not an important crop and the welfare of farmers there is not dependent on the success or failure of the wheat crop.

Those are the areas, it seems to me, where the greatest attention should be placed. We are today carrying on the wheat insurance in approximately 1,400 counties and I believe that if insurance could be restricted to about 600 counties as provided in this bill, much more attention and supervision can be given to the program without affecting the economy of other areas.

Ultimately, perhaps insurance can be developed for the major income-producing crops in those areas. In fact, I think this plan of restricting insurance to areas where the income from the commodity is highly important to the economy of the area is a principle that should be applied in the insurance of all commodities as provided in this bill.

The Corporation has suffered heavy losses on cotton insurance during each of the 4 years. There are some problems in cotton insurance that are not found in wheat insurance.

Under the present insurance on the 1947 crop we have made rather drastic changes in making the program much more conservative than in previous years.

However, I think it would be wise as provided in this bill to restrict this program to an experimental basis until such time as it can be demonstrated that the program can operate without continuous losses.

The tobacco trial program has proved very satisfactory thus far, operating at a substantial profit; and the corn experiment has worked reasonably well although there was a net loss on the operations due to the large amount of soft corn being produced in certain areas in 1945.

We think it would be well to expand this experiment on these commodities to 50 counties, thus giving an opportunity for further experiment and development.

There are numerous items in this bill which represent a change from previous legislation, but I shall not attempt to cover them all in this general statement.

We feel that the amendments provided in this bill are generally very desirable. It represents a steady but cautious development of crop insurance for American farmers, a type of insurance that is not available from any other source.

Crop insurance should mean much to the American farmer in future years, providing the type of security that he has great need of and, in addition, it will contribute to the economic stability of rural areas.

While the bill is restrictive in some ways and may represent a little retrenchment, it nevertheless is an indication of moving forward, though cautiously, to meet a real need of farmers.

The CHAIRMAN. I see you suggest cutting down the scope of the wheat insurance plan to 600 counties.

Mr. GEISSLER. That is right.

The CHAIRMAN. Do you think there would be considerable objection to that?

Mr. GEISSLER. We arrived at that figure, Senator, on the basis of that being the number of counties which are considered commercial wheat counties.

There are a number of other counties, 1,400 in which we have insurance this year; but in the other counties outside of these 600, wheat is a minor part of the agricultural income in those counties. As such, insurance on wheat there does not have any great economic significance.

Senator AIKEN. Does it cost more to insure these scattered counties where there are just a few fields of wheat?

Mr. GEISSLER. The administrative cost is much higher in those areas. Generally the acreages are small. So, your ratio of administrative cost to premiums collected becomes very high.

Senator AIKEN. Are the losses larger in a county that grows wheat casually than they are in a county that makes it its principal business?

Mr. GEISSLER. Our experience on losses is to the effect that we have more losses in the minor areas than we do in the major areas.

Senator AIKEN. Is that true of other crops? Is that true of cotton?

Mr. GEISSLER. I do not believe I can say that about cotton. The losses have been so general and uniform in cotton I do not believe we could draw that conclusion there; but I think it is true of all crops, because farmers are inclined to give more attention to the major crops they are producing.

They generally select the better land for those crops, and the minor crops get the worse land.

Senator THIYE. Is it in spring or winter wheat that you sustain the greater loss?

Mr. GEISSLER. Our greatest losses in wheat so far have been in winter wheat.

Senator AIKEN. From winter killing.

Mr. GEISSLER. Winter killing and in the early years drought in the Great Plains States.

Senator THIYE. What States?

Mr. GEISSLER. What States have our greatest losses been in?

Senator THIYE. That is right.

Mr. GEISSLER. Primarily in the Corn Belt area.

Senator THIYE. That would be due to extreme conditions, whereas the drought is the factor in the Southwest where you expect to have the large acreage of wheat.

Mr. GEISSLER. That is right.

Senator THIYE. Consequently, you had a drought killing rather than a winter killing. Icy conditions in the winter are what causes losses in the winter wheat in the Northern States.

Mr. GEISSLER. That is right.

Senator THIYE. That is what makes that crop so hazardous. On the cotton, what brings about a crop failure?

Mr. GEISSLER. It seems like cotton has been beset by almost everything, but I would say for the past 2 years our greatest losses have been due primarily to two things; drought in the western areas, western Texas, Oklahoma, and in through there; and then excessive rains and floods and boll weevil in what we call the southern cotton area.

Of course, excessive rains bring on the impossibility to cultivate and

bring on weeds and are favorable to the development of the boll weevil, and that has been our major cause of loss there.

The CHAIRMAN. With respect to the wheat insurance, what States are you operating in most extensively?

Mr. GEISSLER. Most extensively?

The CHAIRMAN. Yes.

Mr. GEISSLER. I would say our most extensive insurance in wheat is in the western half of the Corn Belt and in the Plains States, Texas, Oklahoma, Kansas, Nebraska, South Dakota, North Dakota, and then from there on east to the eastern half of the Corn Belt.

Senator AIKEN. About how many wheat growers have had insurance the last 2 years?

Mr. ROWE. About 300,000 in 1946, and about 360,000 in 1947.

The CHAIRMAN. Crop insurance is steadily increasing.

Mr. GEISSLER. That is right.

The CHAIRMAN. Do you think the Government ought to cut it down?

Mr. GEISSLER. I think we ought to get on a sounder basis, Senator. It is a tremendous undertaking to start insuring crops on a national basis. In the first place, you have got to develop the actuarial basis for insurance. There is no precedent you can draw on.

So, in order to build a sound program, you have to build it on actual experience. That has been one of our major problems with cotton.

The CHAIRMAN. If you insure one section, you have to insure them all, have you not?

Mr. GEISSLER. We are trying insurance experimentally on corn and tobacco, and we are picking counties in various areas to represent the various conditions we will meet. As we develop the program to a point where we are quite sure it is sound, why of course we can expand it to other counties.

Senator AIKEN. If you reduced the number of counties where you insured wheat to 633, would that materially reduce the percentage of the crop insured?

Mr. GEISSLER. No. Do you mean acreage or percentage of it to the national crop?

Senator AIKEN. The total acreage.

Mr. GEISSLER. You have got some figures on that, Bill. About how much of our wheat acreage would be represented in the 633 counties?

Mr. ROWE. I do not have them with me, but it would be a large proportion. What we would be dropping out would be areas where the wheat acreage is 4 or 5 acres per farm, and we would be putting more emphasis on areas where they had 160 acres.

Senator AIKEN. How many acres have been insured?

Mr. ROWE. Approximately 10,000,000.

The CHAIRMAN. Do you mean the past year?

Mr. ROWE. In past years, but probably about 25 percent of the wheat producers.

Senator AIKEN. About 25 percent of the wheat crop?

Mr. GEISSLER. No.

Senator AIKEN. What is the average yield?

Mr. GEISSLER. The wheat acreage is approximately between 65 and 70 million acres, and 10,000,000 would represent about one-sixth of it.

Mr. ROWE. The proportion of the growers is larger than the proportion of the acreages.

Senator AIKEN. That means you are insuring more small acreage.

Mr. GEISSLER. That is right.

Senator AIKEN. How many farmers have been carrying insurance on flax, tobacco, and corn?

Mr. ROWE. This year we have about 35,000 flax producers insured; about 120,000 cotton producers; and then of course the tobacco is experimental in 19 counties, and we will have about 15,000 tobacco producers insured. We have corn in about 19 counties, with about 7,000 producers insured.

Senator AIKEN. Nineteen counties. So, this bill permits an increase in the number of counties insuring corn.

Mr. ROWE. It is 50 counties for tobacco and 50 counties for corn.

Senator AIKEN. In how many counties have you been insuring tobacco?

Mr. ROWE. Nineteen.

Senator AIKEN. This raises it to 50.

Mr. ROWE. That is right.

Senator AIKEN. And the tobacco insurance has been successful.

Mr. GEISSLER. Yes; very definitely.

Senator AIKEN. Have you encountered much opposition from insurance companies?

Mr. GEISSLER. No.

Senator AIKEN. Have you had any opposition to the bill registered by insurance companies? I will ask the clerk. We have not, he says.

Mr. GEISSLER. I would like to make this comment in that connection: The private insurance companies have raised some objection in the case of our tobacco insurance, because up to now we have extended the insurance to the tobacco while it is in the curing shed and in the barn. They object to that feature of it.

We probably should not do that because there is private insurance available for that purpose.

Senator AIKEN. Can you do that under this bill? Can you continue to insure it in the storage place, in the barn?

Mr. GEISSLER. I believe this bill would permit it.

Mr. ROWE. Yes.

Senator THYE. Why should you be in the insurance field after the crop is put in the warehouse or in storage places, or in barns? Primarily, what you are concerned about is the crop loss.

Mr. GEISSLER. That is right.

Senator THYE. After the crop is in the warehouses, from there on it becomes a question of whether a man would want to insure it the same as you insure the wheat in the granary, oats in the bin, or insure any other crop in the bin. It would seem to me you would confine yourself entirely to the cropping, the season of the crop, and the condition on the land, rather than to get into insurance of crops in the warehouses or the bins.

Mr. GEISSLER. I think that is right, Senator. I do not have any very strong feeling at all about insuring it in the curing shed or in the barn.

Senator THYE. What States would you recommend that you confine your wheat insurance to?

Mr. GEISSLER. It would be primarily the Great Plains States. That would be Texas, Oklahoma, Kansas, North and South Dakota, Nebraska, Minnesota, and it would get into the Corn Belt States of Illinois and Indiana, and then the Pacific Northwest, Washington, Idaho, and Oregon. Then there are counties throughout the United States and other areas where in small areas it is very important. Montana has a lot of wheat, and parts of Colorado have a lot of wheat.

So, it would be more on county basis rather than on a State basis, Senator, depending upon the importance of wheat in the area.

Senator THYE. This has not been happening so much in later years when the price of wheat has been high, but there was a time when the price of wheat was just above parity.

There was a great deal of profit for one to qualify for insurance and then turn around and put in some other type of crop. In reality, such a farmer collected what insurance he could and then he was able to grow some other type of a feed crop on the acreage—a later crop in the year.

Mr. GEISSLER. Yes.

Senator THYE. As a result, where the crop insurance took a terrific beating was where there was an attempt to "play the game."

Mr. GEISSLER. That opportunity for profit out of the thing was enhanced by the fact that in the early years, the full coverage was attained as soon as the crop was planted. So, in the winter wheat area, the farmers could plant their crop in the fall. With the winter kill, they could get the full coverage and plant other crops.

However, since the program was reinstated, the coverage is on a graduated basis. Under similar circumstances now, they would get only half the coverage after having carried it through the winter.

Senator THYE. Your wheat insurance never had a fair test, I would say.

Mr. GEISSLER. I do not understand that, Senator.

Senator THYE. I mean that from the standpoint of a sound insurance policy, the wheat insurance has never had a fair trial because you have got the history of the early policy, and that policy, as you stated, concerned the full coverage upon the planting of the land, the acres planted, and not upon a graduation of the percentage of crops that came through.

Of course, in that manner a late planting, although it could not make the necessary growth in the fall to insure a proper stand in the spring, would almost assure you that the crop would not come through. The grower got his insurance, and then he figured on putting the acreage into some other type of a crop in the spring.

Mr. GEISSLER. I would agree that our early experience is not a fair yardstick for judging the merits of the program.

Senator THYE. That is why I say your wheat insurance has never had the proper opportunity to prove itself.

Senator HOEY. With reference to this insurance you have, is it a blanket insurance against the losses specified in this first paragraph? It says losses that are occasioned by "drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board." That is what you cover now?

Mr. GEISSLER. That is right.

Senator HOEY. What approximately is the difference in the cost to the farmer of the insurance under this system and the insurance if he got it in some insurance company on his crop?

Mr. GEISSLER. Understand, Senator, that insurance on causes of loss other than hail are not available from private companies. They do not cover anything except hail.

Senator AIKEN. I have had handed me an article entitled "Crop Insurance in the United States" by Philip A. McDonnell, associate editor, The Spectator, which I take it to be is an insurance magazine. This was from the issue of October 24, 1946, and I would like to read a couple of paragraphs into the record. The conclusion is [reading]:

The views of private industry can be generally summed up in the words of one company executive: "It goes without saying that to undertake to write crop insurance against all hazards would be a tremendous task. Statistics show that during certain years the losses to farmers on account of adverse conditions amount to a sum which would more than equal the combined assets of all the fire insurance companies, and consequently they could not afford to undertake this type of general underwriting."

There is no need to make any sort of prediction here except to quote an old saying, "Tickle the earth wi' a hoe and she will laugh with a harvest." We are all so dependent on the farmer that it will be to our benefit if he can better his position. Obviously, the only approach to such a tremendous problem is through the financial resources of our Government. To maintain this system of walking before we leap may eventually permit the transfer of this work to free enterprise. It must be a concentrated effort to make it soon, for in the hands of its people America has become a great nation.

The insurance companies have not registered any opposition to this bill.

Senator HOEY. On this provision you make now for insuring these various crops, the farmers could not get that insurance on any of the crops except insurance against hail.

Mr. GEISSLER. That is right.

Senator HOEY. How do you arrive at what rates to fix on these various crops in the different sections? Do you take in the experience with the losses heretofore?

Mr. GEISSLER. Yes; that is the only basis you have. Of course, in the early years we were handicapped because farm records were not very complete. It takes years of actual program operation before you can get positive figures.

Senator HOEY. What you would have to do over these years would be to keep these records as to what the losses are and adjust the rates in the next year in proportion to these losses you had.

Mr. GEISSLER. That is right. We change our rates almost every year based on the experience. We put the experience in the basic rate at which we start out. The basic rate we had to begin with had no experience in it.

Senator HOEY. Take cotton or wheat. About what would the normal rate be for this insurance that covers all of these things?

Mr. GEISSLER. Our wheat insurance rates would run all the way from 5 percent, I believe, to about 30 percent of the coverage.

Senator HOEY. That is, of the value of the coverage?

Mr. GEISSLER. Yes.

Mr. COLBY. The average would be around 15 percent.

Senator HOEY. If there was insurance for \$2,000, it would be \$100. That would be about the premium on that.

Mr. GEISSLER. I would say on the average, on a \$2,000 coverage, it would be about \$300.

Senator HOEY. That would be 15 percent. What is this 5 percent?

Mr. GEISSLER. It depends on the risk of the area.

Senator HOEY. That is about the lowest you have?

Mr. GEISSLER. That is right.

Senator HOEY. It runs up to 15 percent?

Mr. GEISSLER. In the high-plains area, where the risk is great, the rates run as high as 30 percent of the coverage. In areas like Washington, where they have very little risk, our rates run as low as 5 percent.

Senator HOEY. How long have you been carrying on this insurance program?

Mr. GEISSLER. In wheat, since 1939.

Senator HOEY. In cotton?

Mr. GEISSLER. The first crop insured in cotton was in 1942. In flax, the first crop insured was the 1945 crop; and the experimental program on corn and tobacco started in 1945.

Senator HOEY. How extensive is the coverage on the cotton as it relates to the Cotton Belt?

Mr. GEISSLER. About 13 to 14 percent of the cotton farmers are insured.

The CHAIRMAN. Have you encountered any opposition from the insurance companies to your Government insurance program?

Mr. GEISSLER. No, we have not, except as I stated a while ago, in connection with the insurance we have been offering on tobacco in the curing shed. They have objected to that. I think they have a valid objection. Personally, I would be happy to take it out, but I would like to make this point clear: the provision to insure tobacco in the curing shed was put in at the almost unanimous request of the producers themselves. They feel the rates from private companies are exorbitantly high, but it does put us into a competitive position with private companies.

I think there is a serious question of whether we should get into a competitive position with private companies.

Senator AIKEN. The private companies probably just insure it against fire.

Mr. GEISSLER. Fire and windstorm in the shed.

Senator AIKEN. They did not insure against the spoilage of the crops in the shed, which the farmers also probably desired.

Mr. GEISSLER. There are other causes of loss in the shed for which the private companies do not offer any protection.

Senator AIKEN. I note that this bill provides for a test in reinsurance by the Government through the private companies in 20 counties.

Mr. GEISSLER. Yes, sir.

Senator AIKEN. That never has been tried out before?

Mr. GEISSLER. No. I recommended that, Senator, because I think we ought to try that out.

Senator AIKEN. Is it possible that by reinsuring you might eventually be able to insure counties that were not so prominent in the production of a crop, individual growers in a county?

Mr. GEISSLER. I think that is right, because if you would take time, the facilities of the private companies could be used which are probably in that area carrying other types of insurance.

Senator AIKEN. That would hold down the overhead of the general crop insurance program.

Mr. GEISSLER. That is right.

Senator HOEY. Can a farmer in any part of the United States where he is growing these crops apply for insurance or is it restricted to certain places where you operate?

Mr. GEISSLER. On our present legislation on cotton, wheat and flax, a farmer anywhere in the United States can apply for insurance. It is restricted, of course, on corn and tobacco to the counties designated. But, that is why I think we ought to place a limitation on it. We get into some areas where the crop is very minor, and in such areas under the present law we have to set up the insurance basis and incur a tremendous expense.

I think a good example is cotton in the State of Florida. It is very minor there, yet we have to set up an insurance basis there on 6,000 farms. When we did it, we were quite sure we would get very little participation. It actually turned out that we only got 150 policies there. Our loss was four times the premiums collected in the State.

Senator HOEY. You had the expense of overhead and all that.

Mr. GEISSLER. That is right. I do not believe the program serves any useful purpose in an area like that, because cotton is such a minor part of the farmer's income. If he loses his other crops, that is when he is hurt.

Senator AIKEN. Has the appropriation been made for this year? What did the House do about appropriating for this?

Mr. GEISSLER. The House Appropriations Committee reported out a million dollars as an appropriation. That was passed by the House.

Senator AIKEN. That for administrative purposes only.

Mr. GEISSLER. That is for administrative purposes. It is, of course, completely inadequate. Last year it cost us almost \$8,000,000 to do the job.

I have discussed this with Mr. Dirksen, who is chairman of the House subcommittee, and he has informed me that they did not intend the million dollars would do the job, but they were making that appropriation as sort of an interim appropriation until the legislative thing was settled as to the scope of our program in 1948.

Senator AIKEN. That is, they felt perhaps the million dollars would carry you through this summer.

Mr. GEISSLER. That is right, until the legislative thing was settled.

Senator AIKEN. Unless you have new legislation, you will not be able to continue the insurance of next year's crop beginning with winter wheat.

Mr. GEISSLER. That is right. We have submitted a budget to the Senate Appropriations Committee, which is based on the completion of the program now in operation and on the operation of a program in 1948 based on the Senate bill.

The CHAIRMAN. Have you had a hearing there yet?

Mr. GEISSLER. We will probably have hearings this afternoon.

Senator AIKEN. One other matter. You have had a capital of \$100,000,000.

Mr. GEISSLER. That is right.

Senator AIKEN. I understand that is spent.

Mr. GEISSLER. Not entirely. At the completion of the 1946 program year, we will probably have used up \$82,000,000 of that \$100,000,000. That will leave us about \$8,000,000 of the appropriated capital funds and then the current appropriation bill carries an item to appropriate the other \$10,000,000.

Senator AIKEN. You have asked for \$150,000,000 capital. I understand that the Comptroller General's department thinks that rather than increasing your capital, you should come to Congress each year for any appropriation needed to meet any losses, if there should be losses. What is the reason that it would not be workable to come to Congress each year for money to meet any losses which might be incurred? Of course, the ultimate objective is to put it on a self-supporting basis.

Mr. GEISSLER. That is right.

Senator AIKEN. But while it is in the experimental stage, there are bound to be some losses.

Mr. GEISSLER. Even if the program is carrying its own load, you need a certain amount of money as a revolving fund, because many times we have to pay our losses before the premium collections come in. We would be handicapped under that. I think it would be extremely cumbersome to have to depend upon annual appropriations for the settlement of losses. It is an unpredictable thing. We do not know at the beginning of the year whether we are going to show a profit or whether we are going to have tremendous losses.

You would have to wait until all the losses were reported and accounted for and then ask for the appropriation.

Senator AIKEN. When are the premiums paid?

Mr. GEISSLER. The premiums mature and are due at approximately the harvesttime for the various crops. Some of them are paid immediately, but it is generally a 6-month process to get them all collected after that.

Senator AIKEN. And there is quite an expense in collecting them?

Mr. GEISSLER. Yes. In total money it amounts to quite a bit. So far, it has cost about 1 percent of the premiums earned to collect that.

Senator HOEY. Would it be practical to have it paid before harvest-time?

Mr. GEISSLER. I do not believe that has ever been tried. Has it, Bill?

Mr. ROWE. No. It started out that way in 1939, but it was very difficult to sell insurance under that basis, and arrangements were made that persons could use their triple A payments.

Senator THYE. I was going to say that. It was a part of the triple A program. Each person would have a credit there and it would be deducted from the credit. So, it was self-collectible.

Mr. GEISSLER. That is right.

Senator THYE. It was a part of that AAA program.

Mr. GEISSLER. A very high percentage of our premiums has been collected as a deduction from the triple A program.

Senator HOEY. If this bill is not passed, does this program stop?

Mr. GEISSLER. We still have the existing legislation.

Senator HOEY. How much time does that cover?

Mr. GEISSLER. That would have us operating next year on the same basis we are operating now. Because of the excessive losses we have

had, we felt it would be desirable from the standpoint of saving money for the Government to restrict the operation of the program in 1948. Also, it would give us an opportunity to concentrate on working out a sound program, and to restrict the operation until such time as we have the answer in those counties where we are having troubles.

Senator HOEY. I was interested in knowing what would happen if this bill were not passed.

Mr. GEISSLER. If this bill, or some bill does not pass, it would be mandatory for us to operate on the present scope of operation. I do not believe any of the appropriations are going to contemplate that kind of an appropriation next year.

Senator HOEY. You would not have money to operate on that basis.

Mr. GEISSLER. That is right.

Senator THYE. Most hail insurance companies throughout the Nation collect their premiums in the fall of the year, and then they make final settlements later on in the same year.

For instance, I know that in one State they collect all their hail insurance premiums up to the 15th of September and then they will make payments on insurance where a man has insurance collectible sometime in October. In that manner they have their premium in before they pay out the insurance.

Mr. GEISSLER. That may be true, although my experience with hail insurance has been they generally pay the loss when it occurs from hail.

Senator THYE. Not necessarily.

Mr. GEISSLER. They probably do not always, but I am saying that has been my personal experience.

Senator HOEY. In my territory, they pay the losses on the cotton hail insurance when the damage occurs. They go ahead and make the assessments. If there is a hail storm, the private company's appraiser visits the place and looks it over and makes the appraisal and then they send a check the next week. They pay their premiums when they get their insurance.

Senator AIKEN. They pay it in advance?

Senator HOEY Yes. That is a local agent. He has got to pay it in.

Senator AIKEN. Is any security taken for the insurance? Do you have any claim on the crops?

Mr. GEISSLER. No; we do not.

Senator HOEY. I was just inquiring about that, Senator. They say what they do is that on this triple A program there are a great many credits. They regularly use such credits, and that pays a big part of the premiums.

Senator AIKEN. What was the total amount of all premiums in 1946?

Mr. FRETTS. About \$33,000,000 for the 1946 crop.

Mr. ROWE. We estimate \$61,000,000 for this year, which is, incidentally, equal to what the hail premiums are in the country.

Senator AIKEN. This insurance article indicates no one company would undertake it or all of them combined could not undertake it until it has been worked out and been proven.

Mr. GEISSLER. That is right. Private companies have at various times experimented with crop insurance. In the early twenties there were several companies that tried it. Of course, they insured a definite return of so many dollars per acre, and in doing that they not only insured the production, but they insured the price.

In that particular period, they got caught in a price that was going down very badly and their experience was very disastrous.

I have talked to some of the officials who were connected with those experiments and they feel they might have been successful if they had taken the price element out of it and merely insured production.

Senator AIKEN. I know that up in New England they have insurance for hail and, of course, for fire in storage, but I have never known them to go out soliciting hail insurance. They do write it for the orchardists. I do not know what they do charge now. I think they used to charge 8 percent. Then I think they went up to 10 percent on it. Whatever it is now, I could not say.

Mr. GEISSLER. Hail insurance rates vary like crop insurance rates, depending upon the frequency of hail in the particular area.

Senator AIKEN. It seemed to me they handled hail insurance more as an accommodation to meet a demand than because they wanted it.

Senator HOEY. It has increased a good deal in our section of the country on cotton. A few years ago very few farmers carried hail insurance. Now a very large percentage comparatively, carry hail insurance.

Mr. GEISSLER. That is a very interesting thing that we have found in our studies. We have studied particularly States where they have a State hail insurance which they offer, handled by the State government. The State, North Dakota, which happens to be my State, is a State that has State hail insurance. Montana has it and Colorado has it.

The records show that from the time the crop insurance was started in those States, not only did crop insurance expand, but hail insurance with the State government expanded tremendously. In my State today, it writes three times as much hail insurance today than it did prior to the time crop insurance came along.

Senator AIKEN. I think there might be a benefit in this where you try reinsurance in the 20 counties whereby they could operate with the insurance companies and use the facilities, use their adjusters, use their salesmen, where there might be possibilities for expanding the protection to farmers in a good many counties that otherwise you could not hope to cover.

Mr. GEISSLER. We are very anxious to try that out. We are also very anxious to try out a method of insurance whereby the farmers themselves would get together and carry a part of the risk themselves, sort of on a mutual type of operation and pay part of the premium into the Government for settlement of losses in the case of a catastrophe.

We feel by doing that we would stimulate the interest on the part of the farmers themselves in administering a good, clean program and seeing that proper coverages are authorized on the farms and proper settlements are made of the losses.

As I understand it, the Secretary of Agriculture has been a member of the Board up to this time.

Mr. GEISSLER. That is right.

Senator AIKEN. Now we propose that the Secretary of Agriculture shall appoint two other persons from the Department of Agriculture and also two persons experienced in the insurance business who are not employed by the Government. They would be employed on a per diem basis.

Mr. GEISSLER. That is right.

Senator AIKEN. Do you think that would help in getting the advice of practical insurance men, and would it be more likely to secure the cooperation of insurance companies in carrying out this program?

Mr. GEISSLER. That was the suggestion and recommendation of the General Accounting Office's audit report. We agree with it, Senator. We have from time to time consulted with private insurance people in order to get the benefit of their experience. We have on our pay rolls consultants.

We have also tried from time to time to hire some topnotch insurance executives who might be able to give us the benefit of their experience and have been unsuccessful in that because the kind of men we want are the type of people who get \$25,000 and \$30,000 from private companies.

The only way we can get the benefit of their experience is either to use them on a board of directors, as suggested in this bill, or hire them on a part-time basis as consultants.

Senator AIKEN. I understand the reason for not requiring the Secretary of Agriculture to be a member of the Board is that he is not available sometimes when you want to get him, and furthermore it is more or less of an imposition of the Secretary to require him to attend all of the meetings of the insurance Board.

Senator HOEY. Where is that provision mentioning the change?

Senator AIKEN. At the top of page 8 where it states what the Board shall consist of.

Senator HOEY. I do not have the right bill.

Senator AIKEN. The Senate bill requires two practical insurance men to be members of the Board, and the House bill does not raise the capital.

Senator HOEY. The House bill merely provides the same recovery. It does not make any change in the method of administration.

Senator AIKEN. There is a difference in the number of counties which may be insured. Our Senate bill provides for insurance of more counties in the experimental program for tobacco and flax.

Mr. GEISSLER. The comparison between the Senate and the House bills on the number of counties is this, approximately: The House bill provides for 50 counties each of wheat, cotton, and corn, and 25 each of tobacco and flax; while the Senate bill provides for 633 counties of wheat, 87 counties of flax, 50 each of corn and tobacco, and 56 counties on cotton.

In respect to wheat and flax, our experience has been such that we can operate a successful program on the basis of the Senate bill, we feel. We actually have at the end of 7 years of operation some 730 counties that are in a net black position. Some States have built up quite a sizable reserve of premium. One State has a premium reserve of approximately 3,000,000 bushels at this time.

To reduce it to 50 counties would mean we would have to withdraw from that State almost entirely, with the exception of two or three counties. I think it would create a lot of dissatisfaction on the part of those farmers who have participated and paid into this reserve and feel they have an equity in this reserve.

Senator AIKEN. I would see no good purpose in doing away with a program on wheat and flax where they have already been proved workable and financially sound.

Mr. GEISSLER. That is our feeling about it.

Senator AIKEN. I notice the House Bill has another paragraph [reading]:

SEC. 6. Subsection (d) of section 507 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the subsection and inserting a comma and the following: "Except that employees or agencies responsible for administering this Act in each county shall be selected and designated by the Corporation and shall be responsible directly to the Corporation without the intervention of any intermediate office or agency."

What does that mean?

Mr. GEISSLER. Since the beginning of the Corporation, the Corporation has operated a program in the field under a contractual arrangement with the AAA organization. The AAA organization in the field originally established the insurance basis. It sold the insurance and adjusted the losses.

Then, beginning in 1945, that contractual arrangement was changed and the AAA continued to set up the insurance basis, subject to the approval of the Corporation, and continued to handle the sales work, premium work, and that type of work. In many areas that has worked satisfactorily, but there have been exceptions where the fact that the Corporation did not have that direct authority over those people locally has worked to the detriment of the program. However, the Corporation set up their own organization for the adjustment of losses.

Senator AIKEN. You think it has made it more expensive?

Mr. GEISSLER. I do not think it has made it more expensive, Senator, but I think it certainly has interfered with the effective administration of the program.

Under this bill here, if this language is written the Corporation could itself out in the field directly with the county organization work out a contractual arrangement, but it would not be a blanket proposition at the national level. We undoubtedly would work out arrangements with counties where the county organization is doing a satisfactory job.

Senator HOEY. Do you think the Senate bill is preferable to the House bill?

Mr. GEISSLER. Yes. I certainly prefer the limitation on the number of counties in the Senate bill to the counties in the House bill.

Senator HOEY. What is your view about setting up this Board?

Mr. GEISSLER. I am very much in agreement with the Senate bill about that. Incidentally, that has been discussed with the Secretary, and he agrees with that.

Senator HOEY. The two men who are provided for to be employed, having insurance experience, and so forth, I imagine are contemplated to be on a short time employment basis.

Mr. GEISSLER. It would be on a per diem basis and paid only when they are working.

Senator HOEY. How much time would they be serving?

Mr. GEISSLER. You would probably have to have a Board meeting once a month, and then probably require one day of actual service and then their travel to get there and get back.

Senator AIKEN. If you do not get a substantial appropriation to operate under the present law or under a new law before the Congress adjourns, you will not be able to continue insuring next year's crops?

Mr. GEISSLER. If we do not get a change in legislation, it means we ought to offer insurance on the old basis. If we do not get the money,

I do not see how we could do it without jeopardizing the funds of the Government. That is what it amounts to.

I am very concerned about that item, Senator. Of course, this is something I should discuss with the Appropriation Committee, but we have in 1947, 540,000 contracts in effect. That represents a total liability of insurance coverage of over a half billion dollars, \$500,000,000.

We are earning under that program \$51,000,000 worth of premiums. You can see that if we do not have enough funds if we would fail to cover even 10 percent of those premiums, that would represent a loss of \$5,000,000. If we did not have enough money to do a fair job of checking losses and checking production so that we are sure we do not overpay anybody, that could run into millions of dollars very easily.

So the problem is right with us in connection with the program that is already in effect in connection with future operations.

Senator AIKEN. If you do not have adjusters available, or money to pay them, the result would be at least confusion if not a lot of claims against the Government, which we never would know as to whether they were warranted or not.

Mr. GEISSLER. Our experience has been with approximately the number of contracts we have had this year that we can expect to have loss claims filed on somewhere between 200 and 225 thousand of those contracts.

When we go out to make an actual inspection and an adjustment of the loss, we find probably a third of those claims filed actually resulted in no loss. There is no loss paid. Our experience has also been that in almost every case the amount of loss claimed in the claim is reduced by actual adjustment. The people just merely put in the maximum and depend on us to make the adjustment when we get out on the ground.

Senator AIKEN. I understand that the present indications are that the cotton crop will be better than usual, that the losses might be less this year.

Mr. GEISSLER. This is a pretty broad statement, but it looks like 1947 might be the year in which the Corporation is going to make a little money, Senator. Wheat prospects are, of course, fine, and our loss estimates at this time are very small compared to the premiums.

The cotton prospects, while the cotton crop is not as far along as the wheat crop, are much better than they have been in the last 2 years.

Senator AIKEN. It looks now as if there will be a very sizable amount to the credit of wheat by the end of the year.

Mr. GEISSLER. That is right.

Senator AIKEN. You have had a matter of 828,000 in the 1945 crop, and 5,446,000 in the 1946 crop. It looks like another gain for wheat this year.

Mr. GEISSLER. I think our gain on wheat this year could very easily be over \$10,000,000.

Senator AIKEN. But the heavy loss came in cotton in 1946 when there was \$41,000,000 loss. Flax has almost made a gain of \$574,000 in 1945 and a loss of \$566,000 in 1946. I suppose that was expanded acreage.

Mr. FRETTS. That was price. We collected our premiums at about the \$3.80 level in flax, and we paid our losses at an average of around \$7. We had no chance to buy flax to hedge our position during the period

that intervened between the time the premiums matured and the time the losses were paid.

Senator AIKEN. I thought we made a special appropriation to support the price on flax.

Mr. GEISSLER. That is for 1947, Senator. What happened in 1946 was this: That, as Mr. Fretts pointed out, at the time our premiums matured and they were computed, the price ceiling was still in existence on flax.

Normally, we buy flax in order to hedge our position. The flax situation was so tight we could not get a bushel of flax. All of a sudden ceilings went off and flax went from \$3 to \$7 a bushel, almost overnight.

Senator AIKEN. Your loss on flax should have been charged as a subsidy rather than an insurance loss.

Mr. GEISSLER. On a commodity basis, our experience was almost satisfactory.

Senator AIKEN. Tobacco showed a very substantial gain last year, \$568,000 on 19 counties, you said.

Mr. GEISSLER. I think in the case of tobacco, we have got well over half of the premiums collected left in our reserve for the 2 years.

Senator AIKEN. You feel finally that under the Senate bill you can operate on a self-sustaining basis?

Mr. GEISSLER. Over any long period of time, I believe we can. Of course, there will be years when the crops nationally are lower than normal. Those are the years in which we would expect to pay out more than we collect. Then, of course, there are other years when we ought to collect more than we will pay out.

Senator AIKEN. That is the purpose of insurance, is it not?

Mr. GEISSLER. Yes, sir.

The CHAIRMAN. The producers want insurance?

Mr. GEISSLER. Yes. I would say this: It is a new thing and in many areas you have to carry on quite an educational effort in order to get it started, but our experience has been this: That, whenever insurance gets started in an area, farmers maintain their interest in it, but it takes a number of years with a great deal of them.

I think there is probably one other point I should make in connection with the difference between the House bill and the Senate bill. That has to do with the administrative costs. We have submitted for the use of the Appropriations Committee estimates on administrative costs for both programs, contemplating the House scope of operation on the one hand and the Senate scope of operation on the other hand. The difference between the two is only approximately a million dollars.

In other words, the overhead is distributed over more counties in the Senate bill and proportionately has a much smaller per unit cost from an administrative standpoint than the House bill.

The CHAIRMAN. Does that complete your statement?

Mr. GEISSLER. As far as I am concerned, Mr. Chairman, it does, unless there are some questions.

The CHAIRMAN. You have made a very interesting statement. Thank you very much.

Mr. GEISSLER. Thank you, Senator.

The CHAIRMAN. This concludes the hearings on S. 1326.

The committee stands adjourned.

(Thereupon, at 11:20 a. m., an adjournment was taken.)

(Additional statements filed with the committee on S. 1326 are as follows:)

WASHINGTON, D. C., June 23, 1947.

Hon. ARTHUR CAPPER,

*Chairman, Committee on Agriculture and Forestry,  
United States Senate, Washington, D. C.*

MY DEAR CHAIRMAN CAPPER: The American Farm Bureau Federation favors the continuation of crop insurance, provided it is conducted on a sound actuarial basis with regional adjustments.

Insurance programs on corn, wheat, tobacco, and flax produced favorable results last year, but there was a heavy loss on cotton insurance. More experimental work is needed to develop a sound actuarial basis for cotton and a number of other commodities.

At a meeting in Chicago last week, the board of directors of the American Farm Bureau Federation voted to support a continuation of crop insurance on the scale provided for in S. 1326 rather than on the more restricted basis provided for in H. R. 3465. The House bill would limit future insurance programs to 50 counties for wheat, cotton, and corn; 25 counties for flax and tobacco; and 20 counties each for any new crops insured on an experimental basis. The corresponding limits in the Senate bill are 633 counties for wheat, 87 counties for flax, 56 for cotton, 50 each for corn and tobacco, and 20 each for other crops.

The wheat insurance program is now operating in approximately 1,400 counties. The Department of Agriculture has had much more extensive experience with insurance on wheat than on any other commodity; and in view of the fact that the wheat program made a profit for the Government in both 1945 and 1946, we believe it would be a mistake to put wheat insurance back on a completely experimental basis. The obvious purpose of an experimental program is to work out the actuarial and other data necessary to conduct a larger program. Much of the value of what has been learned in wheat would be lost if the program were cut back to 50 counties at this time. With respect to corn, cotton, tobacco, and flax, we feel that the slightly larger experimental basis authorized by the Senate bill will facilitate the more rapid development of a permanent program.

I wish to respectfully urge that S. 1326 be reported and enacted.

Sincerely yours,

EDW. A. O'NEAL,  
*President, American Farm Bureau Federation.*

WASHINGTON, D. C., June 24, 1947.

Hon. ARTHUR CAPPER,

*Chairman, Committee on Agriculture and Forestry,*

*United States Senate, Washington 25, D. C.*

DEAR SENATOR CAPPER: We wish to file with the Senate Committee on Agriculture and Forestry, our approval of S. 1326. The National Grange fully approves of the authorization of insurance on wheat and flax in amounts needed by farmers in counties where income from these crops is an important portion of the total farm income.

Experience in the insurance of these two crops by the Department of Agriculture is sufficient to demonstrate a sound basis of operations on a commercial scale, and wheat and flax farmers in areas where the value of these crops is a large portion of farm income, should not be deprived of this needed service.

We look upon sound crop insurance as a necessary part of a sound long-time farm program.

Under present conditions and experience of the Department of Agriculture, we believe that the provisions of S. 1326 which authorizes insurance on crops other than wheat and flax, only on an experimental basis, is sound and the National Grange also approves of these provisions in the bill.

Sincerely yours,

J. T. SAUNDERS,  
*Legislative Counsel, the National Grange.*



OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports

(For administrative information only)

HEARINGS BEFORE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY ON S. 1326,  
TO AMEND THE FEDERAL CROP INSURANCE ACT, JUNE 20, 1947

Present were Senators Capper, Aiken, Thye, and Hoey.

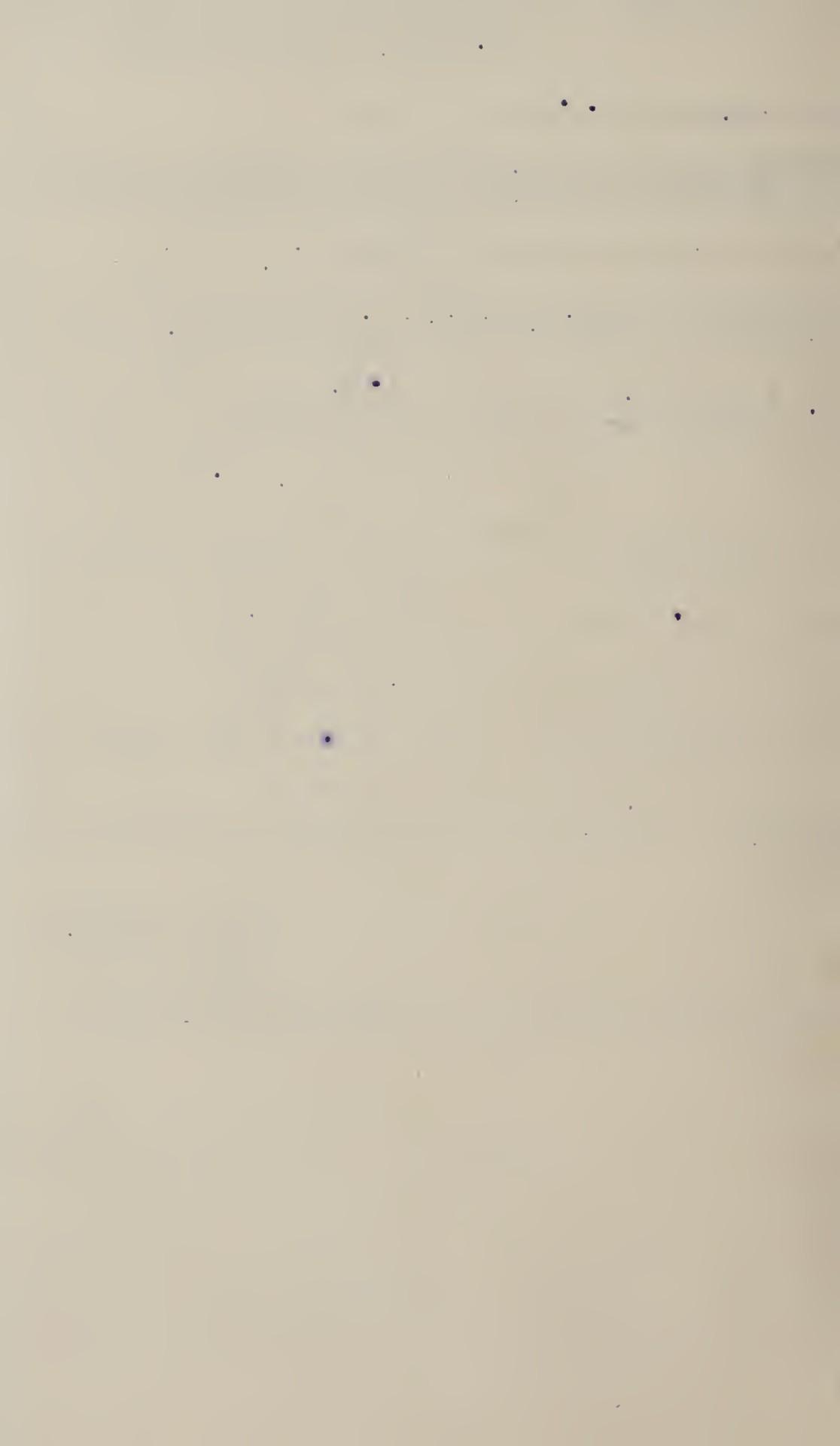
Mr. Geissler, FCIC, read his prepared statement, and there followed a discussion of a number of items, among which were:

- (1) A comparison of some of the features of the House and Senate bills, particularly the extent of the program;
- (2) The requirement for an increase in the authorized capital;
- (3) Relationship to private insurance companies and the provisions for reinsurance;
- (4) Proposed change in the Board of Directors;
- (5) Participation and insurance experience;
- (6) The status that the crop insurance program would be in without any legislation.

Mr. Geissler endorsed the bill. It was not taken up section by section, however.

Gus F. Geissler\*  
FCIC, PMA

\*In cooperation with the Division of Legislative Reports.



HEARINGS BEFORE HOUSE PLATE COMMITTEE ON H. R. 3705, TO MAKE AN ACT TO PROVIDE FOR THE MAINTENANCE OF THE FARM SECURITY ACT ON AN EXPERIMENTAL BASIS, AND H. R. 4075, TO AMEND AND EXTEND THE FARM SECURITY ACT, MAY 7, 1937.

### Insurance

Chairman Hope of the Agriculture Committee explained H. R. 365 and agreed with Mr. Sawyer's statement on weaknesses of the program. Rep. Fox said that the losses were not all said said FSCC stock had been "misunderstood" and make the previous statement to the House appear to have straightened out the program. Rep. Sawyer said he understood that a large amount of the losses were in one district. Mr. Fox said the losses were "misunderstood" but was accepted as a relief program. Rep. Price said Farmers were to blame for not using their crops because they could get more money through private sale. Rep. Hope said this will be corrected in the new bill by limiting production to 1936 level. Rep. Hope said there has been "most unbelievable mismanagement" of the program but that the present FSCC program is "one of the ablest persons in the Department." (See Committee response the last minute of Bill until "later time.")

### Sugar

Chairman Hope explained H. R. 4075. Rep. Hartness questioned his desire to have a continuation of it for long as 5 years. Mr. Hope said the domestic sugar industry will live up to its period. Rep. Hartness asked how much the program will cost. Mr. Hope said the amount would pay for it. Rep. Rizley expressed concern about treatment of the garment industry but Rep. Hope said the are in favor of the bill and that he does not consider the bill an expression of long-time policy. Rep. Rizley said it might be well to recognize that we have a planned economy as far as sugar is concerned and isolated but no such could be said for such as economy for other crops. Rep. Hope said while he is in favor of a program to protect domestic sugar producers. Rep. Brown said if the 1937 Act didn't result in less U. S. production and now that result could be said to favor the domestic producer. Rep. Rich said sugar producers were first told not to produce and then were told to produce, and mentioned ability of reducing the sugar tariff.

Mr. Anderson criticized the bill, objecting to the sugar acreage control, which, he said, further acreages could be brought under Sec. 101 of the bill and adding the bill did not concededly various forms of USDA officials now existing to the sugar industry. He said the Secretary of Agriculture told the Committee he was not familiar with the bill. He said the consumers of the sugar tax act that is looking the next for a producer subsidy. Rep. Fox said that the so-called sugar acreage control.

Mr. Anderson said in giving a summary of sugar bill or the Sugar-Sugar Subsidy bill, that he would prefer a 5 year period for the sugar production quota. He said also, that a tariff was more stable because the fluctuations of sugar will be less.

Rep. George of the House Sugar Committee said, referring to Rep. Hope's earlier position on sugar with his intent to be a calvinist and not to be too weak, the sugar bill needs to cover of the sugar bill, saying the previous test is the prior to sugar of production. Rep. Hope said that a provision making points of order be amended in the bill. In view of the test provision, but said he had cleared the matter with the Ways and Means Chairman



OFFICE OF BUDGET AND FINANCE  
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(For administrative information only)

HEARINGS BEFORE HOUSE RULES COMMITTEE ON H. R. 3465, TO PLACE THE CROP-  
INSURANCE PROGRAM ON AN EXPERIMENTAL BASIS, JULY 13, 1947.

Rep. Dirksen testified in support of the rule for consideration of the bill. He said he was still opposed to the entire crop-insurance program but that, since no bill is being considered for its repeal, he was in favor of H. R. 3465 in that it would be preferable to the provision in the conference report on the 1948 Agricultural Appropriation bill. He strongly commended Mr. Geiseler. Rep. Harness asked that the entire program be repealed, and Rep. Rich said he had introduced a bill to do this but that the Agriculture Committee had declined to consider it. In response to a question as to how much H. R. 3465 would cost, Rep. Dirksen said the administrative expenses would probably be about \$1,500,000 or \$2,000,000.

Chairman Hope of the Agriculture Committee spoke in favor of H. R. 3465, explaining its provisions and contrasting it with the existing program. Rep. Cox said the West Texas losses were a "racket" and, in response to his question as to whether Washington officials were responsible for the losses, Rep. Hope answered in the affirmative but stated that those officials are not now in charge of the program. Rep. Rich asked if, under H. R. 3465, the Department will encourage farmers not to harvest their crops if a loss is anticipated, and Rep. Hope answered that this would be prohibited under the pending bill.

Since the veto message on the tax bill was then being considered, the Committee adjourned until 2:00 this afternoon.

Carl R. Sapp, B&F







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued June 26, 1947  
For actions of June 25, 1947  
80th-1st, No. 121

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HIGHLIGHTS: Senate committee approved bills to place crop insurance on limited basis and authorize cattle-grub research and eradication. Senate committee approved measures to consolidate appropriation bills and to create joint committee to investigate agricultural matters. House committee reported bill to create Commission on Organization of Executive Branch. Rep. Rich criticized potato destruction.

HOUSE

1. FOREIGN RELIEF. Began debate on H. J. Res. 207, providing for membership of the U. S. in the International Refugee Organization (pp. 7825-32).  
Reps. Rich, McDowell, and Rogers criticized shipments of food from Europe to America (pp. 7801, 7832-4, 7834).
2. FORESTS. The Public Lands Committee reported with amendment H. R. 3395, to add certain lands to the Modoc National Forest, Calif. (H. Rept. 693) (p. 7825).
3. PERSONNEL. The Post Office and Civil Service Committee reported with amendments H. R. 1426, to extend veterans-preference benefits to widowed mothers of certain ex-servicemen (H. Rept. 697) (p. 7835).
4. REORGANIZATION. The Expenditures in the Executive Departments Committee reported without amendment H. R. 775, for establishment of a Commission on Organization of the Executive Branch of the Government (H. Rept. 704) (p. 7835). A similar bill, S. 164, has been reported in the Senate.
5. COLUMBIA RIVER DEVELOPMENT. Rep. Horan, Wash., spoke in favor of developing the Columbia R. Basin (pp. 7821-3).
6. POTATO SURPLUS. Rep. Rich, Pa., criticized destruction of surplus potatoes (p. 7801).
7. APPROPRIATIONS. Rep. Hoffman, Mich., briefly explained why he is not in favor of increases in USDA appropriation bill as passed by the House (p. 7803).
8. WAR-POWERS continuation, H. R. 3647, is to be debated today (p. 7825).

9. RECONSTRUCTION FINANCE CORPORATION. H. R. 3916 as passed by the House, in addition to the provisions mentioned in Digest 120, would repeal the following acts and parts of acts which have had a bearing on the operations of this Department: Sec. 201 of the Emergency Relief and Construction Act of 1932, which authorizes various types of loans, primarily to aid in financing self-liquidating projects of a public nature, and provides for creation of regional agricultural credit corporations. Secs. 27, 32, and 36 of the Emergency Farm Mortgage Act of 1933, which authorize loans to receivers appointed by the Federal Farm Loan Board, make \$200,000,000 available for the Land Bank Commissioner loans, and authorize loans to drainage and irrigation districts. Secs. 5, 19c, and 8b of the Agricultural Adjustment Act of 1933, which provide for loans to USDA for the cotton-purchase program, loans to processors subject to AAA taxes, and loans to parties to marketing agreements. Sec. 84 of the Farm Credit Act of 1933, which authorizes RFC to reduce the capital of regional agricultural credit corporations. Act of Apr. 10, 1936, which directed RFC to acquire the capital stock of Commodity Credit Corporation. So much of Sec. 33b of the Farm Credit Act of 1937 as relates to payment of expenses of corporations formed by consolidating 2 or more regional agricultural credit corporations (these provisions authorize RACC's to borrow from RFC and require RFC to pay expenses of consolidated RACC's).

10. PERSONNEL. H. R. 3812, as reported (see Digest 116), would provide for investigation of all employees or applicants for employment in the Federal Government; direct CSC to make preliminary investigations and refer to FBI cases where derogatory information is revealed; require FBI to submit reports of such investigations to a Loyalty Review Board composed of 5 members appointed by the President; direct the agency involved to remove an employee or refuse to employ an applicant in the case of a final adverse decision by the Board; and direct, in cases where any agency refuses to comply with the Board's decision, that the Board report to the President and Congress.

SENATE

NOT IN SESSION. Next meeting Thurs., June 26.

11. WAR POWERS. As reported by committee June 24, S. 1461 provides for a limited continuation of allocations and priorities powers under the Second War Powers Act until not after June 30, 1948; and continues export-control powers until not after June 30, 1948, but provides for an Administrator of Import and Export Controls in the Executive Office of the President to establish policies and programs and for an advisory committee to include the Secretary of Agriculture.

S. J. Res. 123, as passed by the Senate June 24, has the same effect as the measure as introduced, so far as items under USDA are concerned (see Digest 110 for summary of such items).

12. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. As reported (see Digest 120), this bill, H. R. 3311, increases the House figure for cooperation with Latin America by \$1,300,000 (\$410,000 for agricultural programs).

13. CROP INSURANCE. The Agriculture and Forestry Committee approved with amendment S. 1326, to place the crop insurance program on a limited basis (p. D433).

14. LIVESTOCK: RESEARCH. The Agriculture and Forestry Committee approved S. 1249, authorizing additional research on the eradication of cattle grubs (p. D433).

15. RURAL ELECTRIFICATION. The Agriculture and Forestry Committee approved S. 1087, to authorize REA to refinance obligations owed by certain municipalities to TVA, to the extent that such indebtedness was incurred with respect to electric

# Daily Digest

## HIGHLIGHTS

Senate not in session.

House passed Army-Navy promotion and Maritime Commission continuation bills.

Bills and resolutions on crop insurance, REA, cattle grubs, business information, disbursing officers, appropriations, agriculture investigation, and memorial approved by Senate groups.

Bill terminating consumer credit controls ordered reported to House.

## Senate

### *Chamber Action*

The Senate was not in session today. Its next meeting will be held on Thursday, June 26, at 12 noon.

### *Reports on Committee Meetings*

(Committees not listed did not meet)

#### CROP INSURANCE, REA, CATTLE GRUBS, AND FERTILIZER

*Committee on Agriculture and Forestry:* In executive session the committee reported the following bills: S. 1326, to amend generally the Federal Crop Insurance Act, with amendment; ~~S. 1087, to authorize use of REA loans to municipalities for payment of debts to TVA~~; S. 1249, to authorize funds to conduct research for eradication of cattle grubs; and H. R. 195, to authorize the Secretary of Agriculture to sell certain land in Sitka, Alaska.

Hearings were also continued on S. 1251, to establish a national soil fertility policy and program, with Oscar Fosheim, South Dakota Farmers Union, testifying in support of the bill; and J. T. Sanders, National Grange, and Tom Linder, Southern Commissioners of Agriculture, testifying in opposition to it. Hearings continue tomorrow.

#### WAR DEPARTMENT APPROPRIATION

*Committee on Appropriations:* Subcommittee continued hearings on H. R. 3678, War Department appropriation bill, with testimony from Lt. Gen. C. P. Hall, Director

of Organization and Training; and A. H. Onthank, Director of Civilian Personnel. Both witnesses testified against cuts in appropriations which would cause further reductions in civilian employees. Col. A. T. McAnsh, Director of Personnel and Administration, also testified.

#### AGRICULTURE APPROPRIATION

*Committee on Appropriations:* Subcommittee on H. R. 3601, Agriculture Department appropriation bill, continued hearings with testimony from Representative Wood; H. B. Johnson, Mansfield Hardwood Lumber Co.; Edward O. Mather, N. Y. City Milk Dealers Assn.; Chas. W. Holman, National Cooperative Milk Producers Federation; D. W. Aitken, Midwestern Phosphate Corp.; and W. J. Swayer, Pure Milk Assn.

#### INDEPENDENT OFFICES

*Committee on Appropriations:* Subcommittee on H. R. 3839, Independent Offices appropriation bill, continued hearings with testimony from representatives of the following agencies: American Battle Monuments Commission; Council of Economic Advisers; FWA; and Federal Power Commission.

#### GOVERNMENT CORPORATIONS

*Committee on Appropriations:* Subcommittee on H. R. 3756, Government corporations appropriation, continued hearings with testimony from Gordon Clapp, general manager of TVA, and other officials of that agency.

**MARSHALL TESTIMONY**

*Committee on Appropriations:* In executive session heard Sec. of State Marshall on the Voice of America, the cultural program, State Dept. matters, and international developments.

**CONSUMER CREDIT**

*Committee on Banking and Currency:* Marriner S. Eccles, Chairman of the Federal Reserve Board, testified in support of legislation to authorize the Board to continue on a specific legislative basis the regulation of consumer installment credit that is now based on Executive order, known as Federal Reserve Regulation W. Mr. Eccles stated that Regulation W should have specific legislative sanction if it is to be indefinitely extended in peacetime; otherwise, the Executive order should be vacated. Committee meets tomorrow to vote on Reorganization Plan No. 3, relative to housing.

**ARMED SERVICE PERSONNEL DOWNGRADING**

*Committee on Civil Service:* Subcommittee met with Under Secretary of War Royall, Admiral Nibbecker, and Civil Service Commissioner Flemming to discuss the downgrading of personnel in the War Department. Subcommittee meets tomorrow on H. R. 3511, to extend particular provisions of the Civil Service Retirement Act to certain persons separated from the Federal service.

**BUSINESS INFORMATION AND DISBURSING OFFICERS**

*Committee on Expenditures in the Executive Departments:* In executive session, committee approved with amendments S. 493, Technical Information and Services Act, and S. 1350, for relief of disbursing officers or agents in Treasury Department. Subcommittee will meet again Friday to hold further hearings on S. 544, travel pay for Government employees, which has already been placed on Senate calendar.

**MIGRATORY BIRDS**

*Committee on Expenditures in the Executive Departments:* Subcommittee to Investigate Wildlife Conservation concluded hearings on proposed hunting regulations for migratory birds with Frederick C. Lincoln, Assistant Director of Fish and Wildlife Service, continuing his testimony.

**SALE OF MAGNESIUM PLANT IN NEVADA**

*Committee on Expenditures in the Executive Departments:* Surplus Property Subcommittee met with Senator Malone and officials of the WAA to consider further the disposal of the basic magnesium plant at Henderson, Nevada. (See also p. D427.)

**OIL AGREEMENTS**

*Committee on Foreign Relations:* Hearings on Anglo-American oil agreements (Executive H, 79th) were con-

cluded with testimony from Henry S. Fraser, Sinclair Oil Co.

**FCC AMENDMENTS**

*Committee on Interstate and Foreign Commerce:* Subcommittee on S. 1333, FCC amendments, heard testimony from the following: Dr. E. H. Armstrong, inventor of FM broadcasting; Richard J. Hubbell, television consultant; Bill Henry, Radio Correspondents Assn.; and Stanley Faulkner, Voice of Freedom Committee. Hearings resume June 27.

**HEALTH LEGISLATION**

*Committee on Labor and Public Welfare:* Subcommittee on Health reopened hearings on S. 545, to create an independent national health agency, and on S. 1320, National Health Insurance and Public Health Act of 1947, with Dr. Ernest P. Boas, the Physicians Forum, Inc., testifying against S. 545 and in support of S. 1320; Dr. Maurice H. Friedman, Washington, D. C., and John Mannix, John Marshall Ins. Co., testifying in support of S. 545. Hearings continue tomorrow.

**RAILROAD UNEMPLOYMENT INSURANCE**

*Committee on Labor and Public Welfare:* Subcommittee met in executive session on S. 670, to amend the Railroad Unemployment Insurance Act by striking out provision for maternity and sickness benefits, and by specifying percent of employers' contribution to railroad unemployment insurance account, without taking action. Subcommittee continues again on Friday.

**CENTRAL ARIZONA PROJECT**

*Committee on Public Lands:* Subcommittee on Irrigation and Reclamation heard testimony supporting S. 1175, to construct and operate a dam at Bridge Canyon, Central Arizona project, from V. E. Larson, Bureau of Reclamation; Wayne M. Akin, Phoenix; and C. H. McKellips, Mesa, Ariz. Hearings continue tomorrow.

**APPROPRIATIONS, AGRICULTURE INVESTIGATION, AND MEMORIALS**

*Committee on Rules and Administration:* In executive session the committee approved the following resolutions: S. Con. Res. 6, to include all general appropriation bills in one consolidated measure; S. Con. Res. 11, to create a joint committee of 14 to investigate certain matters affecting agriculture; S. Con. Res. 18, to print proceedings at unveiling of William E. Borah's statue; H. J. Res. 170, to erect a memorial to Andrew W. Mellon in D. C.; S. Res. 123, to require each Senate committee to report semiannually information on employees and expenditure of funds; S. Res. 127, placing limitations on matters to be included in body of the RECORD as part of remarks of Senators; S. Res. 128, gratuity payment to relative of a late Senate employee; S. Res. 129, to provide \$50,000 for Senate Appropriations Committee; and S. Res. 130, to provide an additional \$10,000 for Senate Appropriations Committee.





DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
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OFFICE OF BUDGET AND FINANCE

Division of Legislative Reports  
(For Department staff only)

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**HIGHLIGHTS:** Senate received veto message on ~~wool bill~~ and passed new bill without import-control provision. Senate committee reported bills to place crop insurance on limited basis, transfer Remount Service to USDA, authorize research and eradication of cattle grubs, provide for REA refinancing of TVA loans to cities, consolidate appropriation bills, create joint committee to investigate agriculture. House passed bill to continue certain allocations, priorities, and export-control powers. H. Rules cleared bill to continue export controls. House passed bill to create Commission on Organization of Executive Branch. House committees reported CCC-continuation and legislative-appropriation bills and approved veterans' Alaska settlement bill. Rep. Harrison criticized USDA's foreign food-purchase policies. House received conference report on RFC-extension bill.

SENATE

1. **WOOL-PRICE SUPPORTS.** Received from the President a veto message on S. 814, the wool bill (pp. 7847-8) (S. Doc. 68). The President objected to the import-control provision.  
Later passed without amendment S. 1498, a new bill, which provides for wool-price supports at 1946 levels until Dec. 31, 1948, and permits CCC to dispose of its wool stocks below parity (pp. 7866-70). Rejected a McGrath amendment to limit the support period to June 30, 1948 (pp. 7869-70).
2. **CROP INSURANCE.** The Agriculture and Forestry Committee reported with amendment S. 1326, to place the crop insurance program on a limited basis (S. Rept. 378) (p. 7840).
3. **REMOUNT SERVICE.** The Armed Services Committee reported without amendment H. R. 3484, to transfer the Remount Service from the War Department to this Department (S. Rept. 357) (p. 7840).
4. **CATTLE GRUBS.** The Agriculture and Forestry Committee reported without amendment S. 1249, to authorize research and eradication of cattle grubs (S. Rept. 363) (p. 7840).
5. **RURAL ELECTRIFICATION.** The Agriculture and Forestry Committee reported without amendment S. 1087, which authorizes REA to refinance obligations of certain cities to TVA to the extent that such indebtedness was incurred with respect to rural-electrification systems (S. Rept. 362) (p. 7840).
6. **RESEARCH LAND.** The Agriculture and Forestry Committee reported without amendment

- H. R. 195, to authorize this Department to sell to Sitka, Alaska, a small tract formerly used as a site for agricultural research and weather service (S. Rept. 364)(p. 7840).
7. APPROPRIATIONS. The Rules and Administration Committee reported with amendments S. Con. Res. 6, to include all general appropriation bills in one consolidated general appropriation bill (S. Rept. 391)(p. 7840).
8. AGRICULTURAL INVESTIGATION. The Rules and Administration Committee reported with amendments S. Con. Res. 11; creating a joint committee to investigate certain matters affecting agriculture (S. Rept. not listed)(p. 7840).
9. CORPORATIONS. Received from the President a proposed amendment to the "general provisions" in the Government corporations budget for 1948 (S. Doc. 67); to Appropriations Committee (p. 7838). (Summary of this item will be in next Digest.)
10. FORESTRY. Received a Fla. Legislature resolution commending Forest Service for the manner in which it has activated and maintained the Apalachicola National Forest in Liberty County, Fla. (p. 7839).
11. RECONSTRUCTION FINANCE CORPORATION. Senate conferees were appointed on S. J. Res. 135, to continue RFC (pp. 7842-5).
12. AGRICULTURAL APPROPRIATION BILL. Sen. Umstead, N. C., criticized cuts in items for ACP, SCS, research, FS, REA, FHA, and school lunches in the House bill (pp. 7874-7).
13. FOOT-AND-MOUTH DISEASE. Sen. Hatch, N. Mex., inserted a telegram from the N. Mex. Cattle Growers' Association favoring additional funds for the campaign against this disease (p. 7877).
14. APPROPRIATIONS INVESTIGATIONS. Agreed to S. Res. 130 and 129, which, as amended, provide a total of \$60,000 additional for the Senate Appropriations Committee's investigations (p. 7877).
15. FLOOD CONTROL. Sen. Murray, Mont., spoke in favor of additional flood-control appropriations, mentioning the corn-crop situation as a result of floods and stating that flood damage thus interferes with foreign relief and contributes to high prices (pp. 7879-81).

HOUSE

16. LEGISLATIVE APPROPRIATION BILL. The Appropriations Committee reported this bill, H. R. 3993 (H. Rept. 717)(p. 7929). The bill includes funds for GPO, Library of Congress, Botanic Garden, Legislative Counsel, committee staffs, etc. The Committee report (1) indicates an intention of filling all committee-staff positions authorized by the Legislative Reorganization Act but not necessarily at the maximum salaries; (2) says the Coordinator of Information is "to provide the House with a nonpartisan, unprejudiced operation of digesting the mass of information which comes in to Members"; (3) questions the desirability of further increases in Library of Congress pending congressional decision as to whether the Library is to serve only Congress and the Government agencies or is to operate as a national library; (4) asks the Library to make a closer check of use of study rooms and tables by "scholars and researchers, including representatives of government agencies";

# Calendar No. 348

80TH CONGRESS }  
1st Session }

SENATE

{ REPORT  
No. 378

## AMENDING THE FEDERAL CROP INSURANCE ACT

JUNE 26 (legislative day APRIL 21), 1947.—Ordered to be printed

Mr. AIKEN, from the Committee on Agriculture and Forestry,  
submitted the following

### REPORT

[To accompany S. 1326]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1326) to amend the Federal Crop Insurance Act, having considered same, report thereon with a recommendation that it do pass with amendment.

On page 9, strike out all of section 9 and insert in lieu thereof the following:

SEC. 9. Nothing in this Act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this Act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this Act is hereby terminated at the end of the 1947 crop year.

### HISTORY OF LEGISLATION

The Federal Crop Insurance Corporation was created in 1938 with authority to insure producers of wheat against loss of yield due to unavoidable causes commencing with the 1939 crop. An amendment to the act authorized the insuring of cotton on the same basis starting with the 1942 crop. Because the ratio of indemnity losses to premiums was nearly 2 to 1, Congress did not provide funds in 1944 and 1945 Agricultural Appropriation Acts except for the liquidation of 1943 and prior crop-year contracts. Under an amendment to the Federal Crop Insurance Act approved December 23, 1944, the insurance program was reinstated and extended to permit the insuring of flax on a national basis and other commodities on a trial basis.

### PURPOSE OF BILL

The present bill is designed to restrict insurance to counties where income from insured crops is of primary importance, where failure of the insured crop would result in economic disaster, and where it

✓ appears a sound crop-insurance program can be successfully operated. The policy established under this bill will provide for Congress a program for extension of coverage in accordance with experience and future needs.

The bill provides that insurance shall not be written in any county unless applications are filed covering at least 200 farms or one-third of the farms normally producing the insured commodity. The maximum coverage provision is reduced to a lower level, which will generally not exceed the farmer's investment in the crop. Costly hedging operations will be eliminated through the use of a fixed price to be established for computing premiums and indemnities. Wheat and flax insurance will be confined to counties where the income from those crops is of primary importance and will be withdrawn from other counties and areas where the crops produce a minor part of the total agricultural income of such counties or areas. Cotton insurance will be placed on an experimental basis in not to exceed 56 counties, in lieu of the estimated 800 to 900 counties which might qualify, to be selected on the basis of being representative of the various cotton-producing areas. Tobacco- and corn-crop insurance will be continued on an experimental basis, with an increase from 20 to 50 in the maximum number of counties in which such insurance can be offered.

#### WHEAT PROGRAM RESTRICTED

The program for wheat has been restricted to a total of 633 counties. The wheat program has been in effect longer than other crops, and the insurance experience indicates that the premium and indemnity ratio contemplated by Congress in the original act has been effected. The present figures indicate a loss ratio of 1.23 in commodity calculations and 1.05 in value. Since this phase of the program is closely in accord with the purposes of the act, and it would be unfair to the wheat growers in areas where the program has been supported over the entire period of its existence, the bill would permit continuation of the program to the contemplated 633 counties, covering the basic wheat production area.

#### REINSURANCE PROVISION

The bill would also permit the FCIC to enter into contracts with private insurance companies for reinsurance of commodities covered by FCIC contracts on conditions acceptable to the Corporation and consistent with the provisions of the existing law. Such reinsurance would be limited to contracts covering farms in not to exceed 20 counties selected by the FCIC Board. This phase of the FCIC program has the approval of private insurance companies who have long been interested in the development of a sound crop insurance program based on policies which are contained in the bill under consideration. It is the position of these companies that this problem must be worked out through the use of financial resources of the Federal Government, but that private insurance companies will be prepared to enter into reinsurance contracts as soon as a sound actuarial basis is established.

**INSURANCE THROUGH LOCAL ASSOCIATIONS**

Beginning with the 1948 crop, the Corporation is authorized to establish local insurance areas and operate through local associations and cooperatives. This plan of insurance would provide for premium assessments on an area basis in any year following a year in which the accumulated losses on any agricultural commodity exceeded the accumulated premiums. It is believed this plan of insurance would eliminate to a great extent many of the moral hazards, as well as many of the administrative problems.

**BOARD OF DIRECTORS MEMBERSHIP INSURANCE**

In order to comply with recommendations made by the General Accounting Office to insure a more workable insurance program, a policy-making Board of Directors, including men experienced in insurance matters, is established to promote more effective policy formulation. This Board is to be composed of five members, two representing Agriculture, two experienced in insurance administration and sales activities, and the manager of the Corporation. It is not possible to procure the services of a highly skilled insurance administrator under present laws on account of Federal salary limitations, and this provision would permit the Board to utilize the services of the directors who are familiar with insurance problems involved on a per diem basis as members of the Board.

This section was approved by the committee as it was felt that it was more desirable to have other officials within the Department of Agriculture act on the Board rather than the Secretary of Agriculture in view of the many other duties already imposed on him. Furthermore, if the manager of the Corporation is permitted to act as Chairman of the Board, he will be in a better position to formulate policies and to procure prompt action on necessary program procedures. The Secretary of Agriculture is authorized to appoint the members of the Board and will be in a position to assert considerable influence on policy formulations and direct supervision over the administration of the program to conform to departmental policies.

**MANAGER'S STATEMENT**

Mr. Gus F. Geissler, manager of the Federal Crop Insurance Corporation, in testifying before the committee regarding the bill, concluded his testimony as follows:

There are numerous items in this bill which represent a change from previous legislation, but the amendments provided are generally very desirable. It represents a steady but cautious development of crop insurance for American farmers, a type of insurance that is not available from any other source. Crop insurance should mean much to the American farmer in future years, providing the type of security that he has great need of and in addition it will contribute to the economic stability of rural areas. While the bill is restrictive in some ways and may represent a little retrenchment, it nevertheless is an indication of moving forward, though cautiously, to meet a real need of farmers.

**SECTION-BY-SECTION ANALYSIS OF BILL**

This bill amends the Federal Crop Insurance Act, commencing with crops planted for harvest in 1948.

Paragraph 1 of subsection (a) of section 508 of the Federal Crop Insurance Act still permits insurance not in excess of 75 percent of the recorded or appraised average yield of insured commodities, but provides that if in any area 75 percent of such average yield represents generally more protection than the investment in the crop, the Board shall reduce such maximum percent to a percent which more nearly reflects the investment in the crop in such area. It also increases the minimum participation requirement for counties from 50 to 200 farms, or one-third of the farms normally producing the agricultural commodity to be insured. It also states that the Board shall not offer insurance on any commodity in any county if it is determined that the income from such commodity constitutes an unimportant part of the total agricultural income of such county. It further authorizes the refusal of applications for insurance in any county or area or on any farm if it is determined that the insurance risk involved is too great.

Paragraph 2 leaves both wheat and flax to be insured on a national basis but places a limit on the number of counties in which wheat insurance can be offered to 633 and the number of counties in which flax insurance can be offered to 87. This is a drastic reduction from the number of counties in which insurance on both commodities is being offered at the present time, but will provide for offering insurance on each of the two commodities in all counties where the income from either wheat or flax constitutes an important part of the total agricultural income of the county. This paragraph also provides that experimental programs may be tried rather than offering one type of program on a national basis as heretofore required.

Paragraph 3. Insurance on cotton has been removed from a national basis and is restricted to an experimental program along with tobacco and corn. Provision is also made for the addition of two new commodities on an experimental basis in 1948. Cotton insurance may be offered in not to exceed 56 counties; corn and tobacco insurance in not to exceed 50 counties; and the new experimental programs in not to exceed 20 counties. These experimental counties are to be selected by the Board as representative of the several areas where the agricultural commodity is normally produced.

Section 2 of S. 1326 amends subsection (b) of section 508 of the Federal Crop Insurance Act to provide that premiums may be established on the basis of the parity or comparable price for the commodity or on the basis of such other fixed price as the Board may determine. Under the present law, there is no authority to place such a pre-determined value on premiums. This change will greatly simplify the administration of the act, will eliminate the necessity for hedging operations by the Corporation, and will let the farmer know in advance exactly what his premium liability is in dollars and cents.

Section 3 of S. 1326 amends subsection (c) of section 508 of the Federal Crop Insurance Act to provide that indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid.

Section 4 of S. 1326 amends subsection (e) of section 508 of the Federal Crop Insurance Act to provide reinsurance to private insurance companies which insure producers of new agricultural commodities under contracts acceptable to the Corporation and consistent with the provision of this title. This reinsurance for private insurance

companies is limited to not to exceed 20 counties. In earlier years, several private insurance companies attempted to write all-risk crop insurance but had to withdraw from the field because the catastrophic risk was too great. This provision will permit private companies to reenter the field of all-risk insurance with the Corporation carrying the catastrophic risks under the reinsurance provision.

Section 5 of S. 1326 amends section 508 by adding a new subsection providing for the establishment of local associations to carry on a plan of insurance in an area which would provide for premium assessments following a year in which accumulated losses on any agricultural commodity in the area exceed the accumulated premiums on such commodity. Such assessments would be continued until accumulated premiums exceeded accumulated losses. It is provided that the Corporation assume the risk of catastrophic losses in such area.

Section 6 provides for increasing the authorized capital stock of the Corporation from \$100,000,000 to \$150,000,000. It is necessary that this increased authorization be provided so that the Corporation will have adequate operating funds.

Section 8 amends paragraph (a) of section 505 by changing the number of people to serve on the Board of Directors from three to five and specifies that the Manager of the Corporation shall be a member of the Board of Directors, along with two other persons employed in the Department of Agriculture and two persons experienced in the insurance business and who are not otherwise employed by the Government. The Secretary of Agriculture will appoint the members of the Board of Directors but shall not himself be a member of the Board.

Paragraph (d) provides that the manager of the Corporation shall be its chief executive officer with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture.

Section 9 continues in full force and effect all insurance contracts entered into prior to the enactment of this act.

A letter from Secretary Clinton P. Anderson, of the Department of Agriculture, dated June 19, 1947, with respect to S. 1326, is attached hereto as a part of this report.

JUNE 19, 1947.

Hon. ARTHUR CAPPER,  
Chairman, Committee on Agriculture and Forestry,  
United States Senate, Washington, D. C.

DEAR SENATOR CAPPER: This is in reply to your request of May 22, 1947 for a report on S. 1326, a bill to amend the Federal Crop Insurance Act.

This bill places a number of restrictions on the operations of the Federal Crop Insurance Corporation and includes certain other provisions. The Federal Crop Insurance operations would be restricted in the insurance of wheat to 633 counties and in flax to 87 counties. Cotton insurance would be changed from a Nationwide program to an experimental program in not more than 56 counties. The corn and tobacco trial insurance programs are now limited to 20 counties each and to 3 years' duration which will expire with the completion of the 1947 crop. In this bill they would be continued on a trial basis with a limit of 50 counties each. The 3-year limit on trial programs has been removed in this bill. Insurance coverage in the past has been limited to 75 percent of the average yield on the insured farm. This bill places a further restriction that if 75 percent of the average yield represents generally more protection than the investment in the crop in any area, a lower percentage be used; namely, one that would provide protection more nearly in line with the investment in the crop. The minimum participation requirement for counties which was 50 farms or one-third of the farms normally producing the agricultural commodities has been raised to 200 farms or one-third

of the farms and participation requirements are applied separately on each commodity.

There is also a new provision that insurance will not be provided in any county where the income from the commodity insured constitutes an unimportant part of the total agricultural income in the county. This is apparently the basis for restricting wheat insurance to 633 counties whereas such insurance in the past has been in effect in approximately 1,400 counties. Restriction to 87 counties for flax insurance would restrict such insurance to major flax-producing areas.

Under present operations the cash-equivalent price used for payment of premiums and indemnities, first determined in commodity units, is the market price. This bill contemplates the use of one price for both premiums and indemnities in any year and it may be based on parity price or such other price as the Board may determine. The bill omits the provision of the present act providing for prorating of indemnities beginning in 1950, but authorizes a plan for premium assessment type of insurance in local areas. It provides that the Corporation may furnish reinsurance on an experimental basis in not to exceed 20 counties for private insurance companies who may offer crop insurance. It enlarges the Board of Directors from three persons employed in the Department of Agriculture to five persons, which includes the manager of the Corporation, two other persons employed in the Department of Agriculture, and two who are experienced in the insurance business but not otherwise employed by the Government. The Board would be appointed by and hold office at the pleasure of the Secretary of Agriculture but he himself could not be a member of the Board. Three members of the Board shall constitute a quorum. The bill would increase the authorized capital from \$100,000,000 to \$150,000,000.

The amendment to the act in this bill would not affect the provisions of insurance contracts entered into prior to its enactment.

Most of the provisions of S. 1326 are in accord with recommendations made by the manager of the Corporation and approved by the Board of Directors and presented in testimony before the House Committee on Agriculture. The restriction on the amount of insurance per acre would place the insurance on a more conservative basis. The restriction on the areas where wheat and flax insurance would be offered would eliminate the expense involved for insurance where the income from these commodities is an unimportant part of the farm income and where the insurance of wheat and flax does not serve an important purpose in stabilizing the income of farmers in the area. Without insurance in these areas, more effort and supervision could be placed on insurance in areas where the income from wheat or flax represents a substantial part of the farm income and where the loss of these crops would result in severe hardship to farmers. Moreover, in such areas the business income of communities is, in large measure, contingent upon the income from the crop. Insurance of farmers against crop losses tends to stabilize the economy of the whole community.

Heavy losses have been incurred in the cotton-insurance program each year and it seems desirable that the cost to the Government be minimized by placing that program on an experimental basis until such time as a successful crop-insurance program can be developed. Experiments on corn and tobacco insurance have proved relatively satisfactory and the experiments should be continued beyond the original 3-year trial period but with some expansion in the number of counties. The provision for using the same price basis on indemnities as on premiums and the authority to use a figure based on parity price would eliminate the expense of hedging operations now involved in the operation of the program; it would also simplify the insurance, making it possible to quote in advance the monetary premium cost and the amount of indemnity in the event of a complete crop failure.

The provision for change in the Board of Directors reflects recommendations made by the General Accounting Office in connection with its audit of the Corporation's activities.

We would suggest that section 9 of the bill be modified to read as follows:

"Nothing in this Act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this Act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this Act is hereby terminated at the end of the 1947 crop year."

It is estimated that the annual administrative costs of operating such a restricted program as provided in S. 1326 would be from \$5,000,000 to \$6,000,000. The additional \$50,000,000 capital authorization would appear to be adequate.

Since the organization of the Corporation in 1938, \$90,000,000 has been appropriated for subscription to capital stock. It will be necessary to appropriate a part of the additional capital authorized to provide the Corporation with adequate working capital.

With the reinstatement of the crop-insurance program beginning with the 1945 crop, many changes were made to put the program on a sounder basis. With the single exception of cotton, the results for 1945 and 1946 have been greatly improved from earlier years. On wheat, flax, corn, and tobacco, there has been during those years a profit or relatively small losses, whereas prior to the suspension of the program in 1943, insurance had shown a substantial loss every year despite the fact that some of the years were generally good crop years. With respect to wheat insurance, which is the largest of the programs, premiums have substantially exceeded indemnities in each of the last 2 years, and it is anticipated at the present time that this situation will occur again for the 1947 crop. In that event, most of the losses suffered in the early years of the wheat program will have been recovered. In this connection, the Senate Committee on Expenditures in its report (S. Rept. No. 196, 80th Cong.) on a General Accounting Office audit report, pointed out that the wheat insurance experience indicates that the premium and indemnity ratio contemplated by Congress in the original act had been effected.

The crop-insurance program provides a type of protection that farmers need and are unable to obtain from any other source than the Government. This insurance program adds to the security of the farmer and contributes greatly to the economic stability of rural areas. The present program has been in the process of development and improvement since the origin of the program in 1939 and has reached a stage which for some commodities appears to be practicable and workable. We recommend the passage of this bill because we believe it will carry on those programs that appear to be successful and provide producers of such commodities with needed security and because the authorization to carry on experimental programs would make it possible to develop workable plans of insurance for producers of other commodities.

In view of the time situation, we are submitting this report without awaiting advice from the Bureau of the Budget as to the relationship of the proposed legislation, or this report thereon, to the program of the President.

Sincerely,

CLINTON P. ANDERSON,  
*Secretary.*





# Calendar No. 384

80<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1326

[Report No. 378]

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## IN THE SENATE OF THE UNITED STATES

MAY 21 (legislative day, APRIL 21), 1947

Mr. AIKEN (for himself and Mr. McCLELLAN) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JUNE 26 (legislative day, APRIL 21), 1947

Reported by Mr. AIKEN, with an amendment

[Omit the part struck through and insert the part printed in italic]

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## A BILL

To amend the Federal Crop Insurance Act.

- 1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That subsection (a) of section 508 of the Federal Crop  
4       Insurance Act, as amended, is amended to read as follows:  
5           “(a) (1) Commencing with crops planted for harvest  
6       in 1948, to insure producers of the agricultural commodities  
7       authorized to be insured by paragraphs (2) and (3) of this  
8       subsection, upon such terms and conditions not inconsistent  
9       with the provisions of this title as it may determine, against  
10      loss due to unavoidable causes, including drought, flood,  
11      hail, wind, frost, winter-kill, lightning, fire, excessive rain,



1 snow, wildlife, hurricane, tornado, insect infestation, plant  
2 disease, and such other unavoidable causes as may be de-  
3 termined by the Board. Such insurance shall not cover in  
4 excess of 75 per centum of the recorded or appraised average  
5 yield of such commodities on the insured farm for a repre-  
6 sentative period subject to such adjustments as the Board  
7 may prescribe to the end that the average yields fixed for  
8 farms in the same area, which are subject to the same  
9 conditions, may be fair and just: *Provided*, That if 75 per  
10 centum of the average yield represents generally more pro-  
11 tection than the investment in the crop in any area, taking  
12 into consideration recognized farming practices, the Board  
13 shall reduce such maximum per centum so as more nearly  
14 to reflect the investment in the crop in such area. Such  
15 insurance shall not cover losses due to the neglect or mal-  
16 feasance of the producer, or to the failure of the producer  
17 to reseed to the same crop in areas and under circumstances  
18 where it is customary to so reseed, or to the failure of the  
19 producer to follow established good farming practices. In-  
20 surance shall not be provided in any county unless written  
21 applications therefor are filed covering at least two hundred  
22 farms, or one-third of the farms normally producing the  
23 agricultural commodity; nor shall insurance of any agri-  
24 cultural commodity be provided in any county in which  
25 the Board determines that the income from such commodity

1 constitutes an unimportant part of the total agricultural  
2 income of the county. The Board may limit or refuse in-  
3 surance in any county or area, or on any farm, on the basis  
4 of the insurance risk involved. The Corporation shall report  
5 annually to the Congress the results of its operations as to  
6 each commodity insured.

7       “(2) To insure producers of wheat in not to exceed  
8 six hundred and thirty-three counties, and producers of  
9 flax in not to exceed eighty-seven counties: *Provided*, That  
10 insurance may be offered to such producers in selected coun-  
11 ties in accordance with the provisions of paragraph (3)  
12 of this subsection, if the Board so determines.

13       “(3) For the purpose of determining the most practical  
14 plan, terms, and conditions of insurance with respect to  
15 cotton, corn, dry beans, oats, barley, rye, tobacco, rice,  
16 peanuts, soybeans, sugar beets, sugarcane, timber and forests,  
17 potatoes and other vegetables, citrus and other fruits, tame  
18 hay, and any other agricultural commodity, if sufficient  
19 actuarial data are available, as determined by the Board,  
20 to insure producers of such agricultural commodities under  
21 any plan or plans of insurance determined by the Board to be  
22 adapted to any such commodity, notwithstanding any other  
23 provision of this title: *Provided*, That such insurance shall be  
24 limited in 1948 to not more than five crops (exclusive of  
25 wheat and flax, but including corn, cotton, and tobacco) and

1 to not more than three additional crops in each year there-  
2 after. Insurance provided for any agricultural commodity  
3 under this paragraph, except corn, cotton, and tobacco, shall  
4 be limited to producers in not to exceed twenty counties  
5 selected by the Board as representative of the several areas  
6 where the agricultural commodity is normally produced. In  
7 the case of corn and tobacco, such insurance shall be limited  
8 to producers in not to exceed fifty such counties; and, in  
9 the case of cotton, such insurance shall be limited to producers  
10 in not to exceed fifty-six such counties."

11 SEC. 2. Subsection (b) of section 508 of the Federal  
12 Crop Insurance Act, as amended, is amended to read as  
13 follows:

14 "(b) To fix adequate premiums for insurance in the  
15 agricultural commodity or in cash, at such rates as the Board  
16 deems sufficient to cover claims for crop losses on such  
17 insurance and to establish as expeditiously as possible a  
18 reasonable reserve against unforeseen losses: *Provided*, That  
19 such premiums may be established on the basis of the parity  
20 or comparable price for the commodity as determined and  
21 published by the Secretary of Agriculture, or on the basis  
22 of such other fixed price as the Board may determine. Such  
23 premiums shall be collected at such time or times, or shall  
24 be secured in such manner, as the Board may determine."

1 SEC. 3. Subsection (c) of section 508 of the Federal  
2 Crop Insurance Act, as amended, is amended to read as  
3 follows:

4        "(c) To adjust and pay claims for losses in the agri-  
5 cultural commodity or in cash, under rules prescribed by  
6 the Board: *Provided*, That indemnities may be determined  
7 on the same price basis as premiums are determined for  
8 the crop with respect to which such indemnities are paid.  
9 The Corporation shall provide for the posting annually in  
10 each county at the county courthouse of a list of indemnities  
11 paid for losses on farms in such county. In the event that  
12 any claim for indemnity under the provisions of this title is  
13 denied by the Corporation, an action on such claim may be  
14 brought against the Corporation in the United States district  
15 court, or in any court of record of the State having general  
16 jurisdiction, sitting in the district or county in which the  
17 insured farm is located, and jurisdiction is hereby conferred  
18 upon such district courts to determine such controversies  
19 without regard to the amount in controversy: *Provided*,  
20 That no suit on such claims shall be allowed under this  
21 section unless the same shall have been brought within one  
22 year after the date when notice of denial of the claim is  
23 mailed to and received by the claimant."

24 SEC. 4. Subsection (e) of section 508 of the Federal

1 Crop Insurance Act, as amended, is amended to read as  
2 follows:

3       “(e) Commencing with the 1948 crop, to provide,  
4 upon such terms and conditions as the Board may determine,  
5 reinsurance to private insurance companies which insure  
6 producers of any agricultural commodity under contracts  
7 acceptable to the Corporation and consistent with the pro-  
8 visions of this title: *Provided*, That reinsurance for private  
9 insurance companies shall be limited to contracts covering  
10 farms in not to exceed twenty counties selected by the  
11 Board.”

12       SEC. 5. Section 508 of the Federal Crop Insurance Act,  
13 as amended, is amended by adding at the end thereof a  
14 new subsection as follows:

15       “(f) Beginning with the 1948 crop, if the Board shall  
16 so determine, to establish local insurance areas (county,  
17 or larger contiguous area determined by the Board), and  
18 operate, through local associations established under the  
19 provision of section 507 (c) of this title, a plan of insurance  
20 in any such area which would provide for premium assess-  
21 ments in any year following a year in which the accumulated  
22 losses (exclusive of any amount drawn from reserves of  
23 the Corporation) or any agricultural commodity in the  
24 area exceed the accumulated premiums (less any amount  
25 credited to reserves of the Corporation) on such commodity,

1 such assessments to be continued until the accumulated  
2 premiums (less any amount credited to reserves of the  
3 Corporation) exceed the accumulated losses (exclusive of  
4 any amount drawn from reserves of the Corporation):  
5 *Provided*, That no such assessment shall be made against  
6 new insured producers for the first year of insurance."

7 SEC. 6. Subsections (a) and (b) of section 504 of  
8 the Federal Crop Insurance Act are amended by striking out  
9 "\$100,000,000" and inserting in lieu thereof "\$150,-  
10 000,000".

11 SEC. 7. Subsection (d) of section 506 of the Federal  
12 Crop Insurance Act is amended to read as follows:

13 "(d) Subject to the provisions of section 508 (c), may  
14 sue and be sued in its corporate name in any court of record  
15 of a State having general jurisdiction, or in any United States  
16 district court, and jurisdiction is hereby conferred upon such  
17 district court to determine such controversies without regard  
18 to the amount in controversy: *Provided*, That no attach-  
19 ment, injunction, garnishment, or other similar process,  
20 mesne or final, shall be issued against the Corporation or its  
21 property."

22 SEC. 8. Section 505 of the Federal Crop Insurance Act,  
23 as amended, is amended to read as follows:

24 "SEC. 505. (a) The management of the Corporation  
25 shall be vested in a Board of Directors (hereinafter called

1 the 'Board') subject to the general supervision of the Secre-  
2 tary of Agriculture. The Board shall consist of the manager  
3 of the Corporation, two other persons employed in the  
4 Department of Agriculture, and two persons experienced in  
5 the insurance business who are not otherwise employed by  
6 the Government. The Board shall be appointed by, and  
7 hold office at the pleasure of the Secretary of Agriculture,  
8 who shall not, himself, be a member of the Board.

9        "(b) Vacancies in the Board so long as there shall be  
10 three members in office shall not impair the powers of the  
11 Board to execute the functions of the Corporation, and three  
12 of the members in office shall constitute a quorum for the  
13 transaction of the business of the Board.

14        "(c) The Directors of the Corporation who are em-  
15 ployed in the Department of Agriculture shall receive no  
16 additional compensation for their services as such Directors  
17 but may be allowed necessary traveling and subsistence  
18 expenses when engaged in business of the Corporation, out-  
19 side of the District of Columbia. The members of the Board  
20 who are not employed by the Government shall be paid  
21 such compensation for their services as Directors as the  
22 Secretary of Agriculture shall determine, but such compen-  
23 sation shall not exceed \$100 per day each when actually  
24 employed and necessary traveling and subsistence expenses

1 when engaged in business of the Corporation away from  
2 their homes or regular places of business.

3        "(d) The manager of the Corporation shall be its chief  
4 executive officer, with such power and authority as may  
5 be conferred upon him by the Board. He shall be appointed  
6 by, and hold office at the pleasure of, the Secretary of  
7 Agriculture."

8        SEC. 9. The provisions of law amended by this Act  
9 shall be deemed to continue in full force and effect for pur-  
10 poses of carrying out the provisions of insurance contracts  
11 entered into prior to the enactment of this Act. *Nothing in*  
12 *this Act shall be construed to affect the validity of any insur-*  
13 *ance contract entered into prior to the enactment of this Act*  
14 *insofar as such contract covers the 1947 crop year. Any*  
15 *such contract which purports to cover a crop in the 1948 or*  
16 *any subsequent crop year in any county in which insurance*  
17 *on such crop will be discontinued pursuant to this Act is*  
18 *hereby terminated at the end of the 1947 crop year.*

80TH CONGRESS  
1ST SESSION

# S. 1326

[Report No. 378]

## A BILL

To amend the Federal Crop Insurance Act.

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By Mr. AIKEN and Mr. McCLELLAN

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MAY 21 (legislative day, April 21), 1947

Read twice and referred to the Committee on Agriculture and Forestry

JUNE 26 (legislative day, April 21), 1947

Reported with an amendment

program without Federal restriction; be it further

*"Resolved.* That copies of this resolution be transmitted by the secretary of state to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, the chairman of the Committee on Ways and Means of the House of Representatives, the chairman of the Committee on Appropriations of the House of Representatives, the chairman of the Finance Committee of the Senate of the United States, the chairman of the Committee on Appropriations of the Senate of the United States, and each Member of the Congress elected from the State of Illinois.

"Adopted by the house, June 11, 1947.  
"Concurred in by the senate, June 18, 1947."

A resolution of the House of Representatives of the State of Florida; to the Committee on Public Lands:

"House Resolution 45

"Resolution commending the United States Forest Service for the manner in which it has activated and maintained the Apalachicola National Forest in Liberty County, Fla.

"Whereas the United States Forest Service in 1933 activated the Apalachicola National Forest in Liberty County, Fla., and since said date has enlarged and maintained said forest and it is now one of the largest and outstanding national forests in the United States of America; and

"Whereas the soil contained within Apalachicola National Forest is especially suited to the production and growth of long-leaf yellow pine trees; and

"Whereas the timber resources of the United States are becoming extinct except within the national forest, and it is of paramount interest and concern to the people of the United States that the production and growth of timber should be carried on; and

"Whereas it is the sense of the House of Representatives of the State of Florida that the continued growth and production of long-leaf yellow-pine timber should not be interfered with but should be encouraged in every way possible: Therefore be it

*"Resolved by the House of Representatives of the State of Florida:*

"SECTION 1. That the House of Representatives of the State of Florida commends the United States Forest Service for the manner in which it has activated and maintained the Apalachicola National Forest in Liberty County, Fla., and for its splendid record in the conduct of said forest and in the production of timber and the distribution of the proceeds of the sale of said timber to Liberty County, Fla.

"SEC. 2. That it is the desire of this House of Representatives that no action of any kind be taken by the United States Forest Service or any branch of the United States Government that would tend to reduce the size of said forest, the production of timber therein, or the distribution of the proceeds received from the sale of said timber to Liberty County, Fla., and that said forest be maintained at its present size.

"SEC. 3. That a certified copy of this resolution be transmitted to the Honorable CLAUDE PEPPER and the Honorable SPESSARD L. HOLLAND, United States Senators from Florida; to the Honorable BOB SIXES, Member of the House of Representatives of the United States from the Third Congressional District of Florida; and to the Clerk of the Senate of the United States; and to the Clerk of the House of Representatives of the United States; and to the Honorable Harry S. Truman, President of the United States of America."

A petition signed by sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

PROTEST AGAINST LIQUOR ADVERTISING

Mr. IVES. Mr. President, over the past weeks I have received in my office 600 petitions in favor of Senate bill 265, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes.

These petitions contain over 16,000 signatures. I should like to have a list of the communities, cities, and villages represented in the petitions incorporated in the RECORD with my remarks.

There being no objection the list was ordered to be printed in the RECORD, as follows:

PETITIONS RE CAPPER BILL (S. 265), WITH 16,346 SIGNATURES AFFIXED, RECEIVED FROM NEW YORK STATE CITIES AND VILLAGES

Livingston Manor, Livonia, Lockport, Long Eddy, Long Island City, Loon Lake, Lowman, Lowville, Ludlowville, Lynbrook, Lyons, Machias, Madrid, Maine, Malone, Manchester, Mannsville, Manorville, Marilla, Marlboro, Martinsburg, Martville, Massena, Mayfield, Mayville, Medusa, Merrickville, Mexico, Middlefield, Middle Grove, Middleport, Middletown, Milton, Mineola, Minetto, Minoa, Mohawk, Moira, Montgomery, Monticello, Mooers, Moravia, Moriah, Morristown, Mount Morris, Mount Vernon, Myers, Nanticoke, Nanuet, Naples, Nedrow, Newark Valley, New Berlin, Newburgh, Newfane, New Hartford, New Hyde Park, Newport, New Suffolk, New York, Niagara Falls, Nine, North Bangor, North Chili, North Cohocton, North Granville, North Pitcher, Northport, North Rose, North Tonawanda, Norton Hill, Norwich, Nunda, Nyack, Oakfield, Ogdensburg, Olean, Oneida, Oneonta, Oramel, Orient, Oriskany Falls, Orwell, Ossining, Oswego, Otego, Otto, Owego, Painted Post, Palatine Bridge, Panama, Patchogue, Pavilion, Pearl River, Peekskill, Pennfield, Penn Yan, Perry, Perrysburg, Peru, Philmont, Phoenix, Plattekill, Port Byron, Porterville, Port Henry, Port Jervis, Portville, Potsdam, Poughkeepsie, Prattsville, Preston Hollow, Pulaski, Pultneyville, Randolph, Ransomville, Ravana, Red Creek, Rensselaer, Rexford, Rhinebeck, Richburg, Richford, Richland, Richmondville, Ripley, Riverhead, Rochester, Rockland, Rockyville Centre, Rose, Rosendale, Round Lake, Rouses Point, Rush, Rushford, Russell, St. Johnsville, Salamanca, Salt Point, Sandusky, Saranac Lake, Saratoga Springs, Savannah, Sayville, Schenectady, Schenevus, Schuylerville, Scio, Scottsville, Selkirk, Sharon Springs, Sherburne, Sherman, Shortsville, Silver Creek, Silver Springs, Sinclairville, Skaneateles, Sloansville, Smiths Basin, Smithtown, Smyrna, Snyder, Sodus, Sodus Point, Southampton, South Dayton, South Lansing, South Otselic, South Westerlo, Sparrow Bush, Speculator, Spencerport, Speonk, Spragueville, Sprakers, Springfield Center, Spring Valley, Springwater, Stafford, Stanfordville, Stanley, Staten Island, Stillwater, Stockton, Straits Corners, Sundown, Swain, Swan Lake, Syracuse, Tarrytown, Tioga, Tioga Center, Tomkins Cove, Tomkins Corners, Tonawanda, Troy, Trumansburg, Truthville, Unadilla, Union Grove, Union Springs, Utica, Vails Gate, Valley Stream, Varysburg, Vermontville, Vernon Center, Vestal, Victor, Voorheesville, Walden, Wallace, Wallkill, Walton, Wantagh, Warnerville, Warsaw, Warwick, Washingtonville, Waterford, Water Mill, Waterport, Watervliet, Watkins Glen, Waverly, Wayland, Wayne, Webster, Weedsport, Wells Bridge, Wellsburg, Wellsville, Westdale, West Falls, Westfield, Westhampton, Weston Mills, Westport, West Winfield, Whitehall, White Lake, White Plains, Whitney Point, Williamson, Wilmington, Wilson, Windsor, Wolcott, Woodhull, Woodmere, Woodville, Worcester, Wyoming, Yorkshire, Youngstown.

College Point, Middle Village, Solvay, Fairview, Richmond Hill, Woodhaven, Port Dickinson, Pine Bluff, Laramie, Bosler, Cheyenne, Eggertsville, Williamson, New Hackensack, Port Richmond, Scotia, Menands, East Bethany, Ellingville, Queens Village, Synden, St. Albans, West Granville, Maspeth, Tottenville, Frankport, Astoria, Bayside, Woodside, Forest Hills, Jackson Heights, Srokers, Elmhurst, Rutherford, South Hampton, Sterling, West Barre, Langnoit, Oceanside, Gilbertsville, South New Berlin, Mount Upton, Centerport, Nichols, Troupsburg, Circleville, Fair Oaks, Palmyra, Marion, East Palmyra, Upper Nyack, South Nyack.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HILL, from the Committee on Armed Services:

H. R. 3251. A bill to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as

Lake Luzerne, Lakemont, Lakewood, Lancaster, Lebanon, Leon, Leonardsville, Le Roy, Liberty, Lima, Limestone, Lisbon, Lisle, Little Falls, Little Valley, Liverpool, Livingston,

to authorize naval retiring boards to consider the cases of certain officers, and for other purposes; without amendment (Rept. No. 356).

By Mr. BALDWIN, from the Committee on Armed Services:

S. 364. A bill to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes; with an amendment (Rept. No. 359).

By Mr. MAYBANK, from the Committee on Armed Services:

H. R. 3394. A bill to amend the act entitled "An act to provide for the evacuation and return of the remains of certain persons who died and are buried outside the continental limits of the United States," approved May 16, 1946, in order to provide for the shipment of the remains of World War II dead to the homeland of the deceased or of next of kin, to provide for the disposition of group and mass burials, to provide for the burial of unknown American World War II dead in United States military cemeteries to be established overseas, to authorize the Secretary of War to acquire land overseas and to establish United States military cemeteries thereon, and for other purposes; with amendments (Rept. No. 358).

By Mr. MORSE, from the Committee on Armed Services:

H. R. 3484. A bill to transfer the Remount Service from the War Department to the Department of Agriculture; without amendment (Rept. No. 357).

By Mr. WILEY, from the Committee on the Judiciary:

S. 136. A bill for the relief of Ioannis Stephanies; without amendment (Rept. No. 360); and

S. 409. A bill for the relief of Milan Jandrich; with an amendment (Rept. No. 361).

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 1087. A bill to amend section 502 (a) of the Department of Agriculture Organic Act of 1944; without amendment (Rept. No. 362);

S. 1249. A bill authorizing additional research and investigation into problems and methods relating to the eradication of cattle grubs, and for other purposes; without amendment (Rept. No. 363); and

H. R. 195. A bill to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska; without amendment (Rept. No. 364).

By Mr. AIKEN:

From the Committee on Agriculture and Forestry:

S. 1326. A bill to amend the Federal Crop Insurance Act; with an amendment (Rept. No. 378).

From the Committee on Expenditures in the Executive Departments:

S. 1350. A bill to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes; with amendments (Rept. No. 379).

By Mr. REVERCOMB, from the Committee on Public Works:

H. R. 1610. A bill to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.; without amendment (Rept. No. 365); and

H. R. 3072. A bill to authorize the preparation of preliminary plans and estimates of cost for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old

House Office Building; without amendment (Rept. No. 366).

By Mr. O'CONNOR, from the Committee on Civil Service:

S. 1180. A bill to authorize the issuance of a special series of commemorative stamps in honor of Gold Star mothers; without amendment (Rept. No. 367).

By Mr. BUCK, from the Committee on the District of Columbia:

S. 612. A bill to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," as amended, so as to permit certain additional investments; with amendments (Rept. No. 371);

H. R. 1633. A bill to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia"; without amendment (Rept. No. 368);

H. R. 1634. A bill to amend section 1, and provisions (6), (7), and (8) of section 3, and provision (3) of section 4 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," and to add sections 5a, 5b, and 5c thereto; without amendment (Rept. No. 369); and

H. R. 1893. A bill to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia; without amendment (Rept. No. 370).

By Mr. KEM, from the Committee on the District of Columbia:

S. 8. A bill to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; with an amendment (Rept. No. 372);

S. 1442. A bill to amend sections 235 and 327 of the Code of Laws for the District of Columbia; without amendment (Rept. No. 374);

H. R. 494. A bill to reorganize the system of parole of prisoners convicted in the District of Columbia; with amendments (Rept. No. 373);

H. R. 3235. A bill to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings; without amendment (Rept. No. 375); and

H. R. 3515. A bill to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor; without amendment (Rept. No. 376).

By Mr. MCGRATH, from the Committee on the District of Columbia:

S. 1402. A bill to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; without amendment (Rept. No. 380);

S. 1462. A bill to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; without amendment (Rept. No. 381);

H. R. 2470. A bill to authorize the establishment of a band in the Metropolitan Police force; without amendment (Rept. No. 382);

H. R. 3547. A bill to authorize funds for ceremonies in the District of Columbia; without amendment (Rept. No. 383); and

S. J. Res. 129. Joint resolution to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; without amendment (Rept. No. 384).

By Mr. ECTON, from the Committee on Public Lands:

S. 714. A bill authorizing the Secretary of the Interior to issue a patent in fee to Claude

E. Milliken; with amendments (Rept. No. 385); and

S. 1317. A bill to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents; without amendment (Rept. No. 386).

By Mr. BUTLER, from the Committee on Public Lands:

S. 1419. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds; without amendment (Rept. No. 387); and

S. 1420. A bill to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii; without amendment (Rept. No. 388).

By Mr. BREWSTER, from the Committee on Interstate and Foreign Commerce:

S. 1038. A bill to amend the Federal Airport Act; with amendments (Rept. No. 389).

By Mr. BROOKS, from the Committee on Rules and Administration:

H. J. Res. 170. Joint resolution authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon; with amendments;

S. Con. Res. 6. Concurrent resolution to include all general appropriation bills in one consolidated general appropriation bill; with an amendment (Rept. No. 391);

S. Con. Res. 11. Concurrent resolution creating a joint committee to investigate certain matters affecting agriculture; with amendments;

S. Con. Res. 18. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of William E. Borah; without amendment;

S. Res. 123. Resolution requiring each committee of the Senate to report semiannually certain information concerning its employees and expenditure of funds; without amendment;

S. Res. 127. Resolution prohibiting, under certain conditions, the printing in the body of the CONGRESSIONAL RECORD of matter offered as a part of the remarks of a Senator; without amendment; and

S. Res. 128. Resolution to pay a gratuity to Carolyn Crum Orbello; without amendment.

#### ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on June 24, 1947, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 751. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1948, and for other purposes; and

S. J. Res. 113. Joint resolution authorizing the erection in the District of Columbia of a memorial to the Marine Corps dead of all wars.

#### EXECUTIVE MESSAGES REFERRED

As in executive session.

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing the nominations of sundry postmasters, which nominations were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF A COMMITTEE

As in executive session.

The following favorable reports of nominations were submitted:

By Mr. LANGER, from the Committee on Civil Service:

Sundry postmasters.





- DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Issued July 7, 1947

Division of Legislative Reports  
(For Department staff only)

For actions of July 3, 1947  
S0th-1st, No. 127

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**HIGHLIGHTS:** Senate passed bill to continue certain allocation, priority, and export-control powers. Senate passed bill to authorize REA to refinance certain TVA loans to cities. Senate passed bill to authorize research and eradication of cattle grubs. House committee reported revised sugar bill. House committee reported bill transferring Crab Orchard project to Interior. State, Justice, Commerce, Judiciary appropriation bill ready for President. Senate committee reported bill to permit sale of Tongass Forest timber. Senate committee reported favorably nomination of Wells as Cooperative Bank Commissioner. House committee approved bills to extend SCS, ACP, and FHA to Virgin Islands; amend Plant Quarantine Act; and facilitate use and occupancy of forests. House committee approved measure ending certain war and emergency powers. Rep. Curtis urged continued production of synthetic rubber from farm crops. President approved Emergency Appropriation Act.

SENATE

1. WAR POWERS. Passed with amendments H. R. 3647, to continue certain war powers, with the language of S. 1461 as amended (pp. 8374-98). The Senate bill was then indefinitely postponed. Sens. Wiley, Cooper, and McCarran were appointed Senate conferees (p. 8398).

Agreed to the following amendments: By Sen. Ellender, La., to make clear that allocations powers regarding fats-oils and rice are extended only for the purpose of exercising import control (in this connection Sen. Ellender inserted a letter from Under Secretary Dodd) (pp. 8377-8). By Sen. Reed, Kans., to extend ODT powers until Jan. 31, 1948, in view of "the tremendous shortage of freight-car equipment" (p. 8385). By Sen. Saltonstall, Mass., to eliminate allocation controls over manila and agave fiber and cordage except that owned or contracted for by the Government on July 16, 1947, to establish priority and allocation in production of binder twine, baler twine, and rope (pp. 8385-7). By Sen. Hawkes, N. J., to continue authority for control of cinchona bark, quinine, and quinidine (pp. 8387-8).

Rejected the following amendments: By Sen. Butler, Nebr., to provide that grain exports shall be handled by private sources rather than the Government (pp. 8390-7). By Sen. Thomas, Okla., to abolish the historical-record system for export control (pp. 8388-90). By Sen. White, Maine, placing grains for distilling and brewing under control (p. 8387).

As passed by the Senate, H. R. 3647 provides for a limited continuation of allocations and priorities powers under the Second War Powers Act until not after June 30, 1948; continues export-control powers until not after June 30,

1948, but provides for an Administrator of Import and Export Controls in the Executive Office of the President to establish policies and programs and for an advisory committee to include the Secretary of Agriculture. For summary of the bill as passed by the House, see Digest 123.

2. RURAL ELECTRIFICATION. Passed without amendment S. 1087, which authorizes REA to refinance, out of its loan funds, obligations by certain municipalities (Athens and Sheffield, Ala., and Bolivar, Tenn.) to TVA, to the extent that such indebtedness was incurred with respect to electric transmission systems or portions thereof serving rural areas (pp. 8418-9).
3. CATTLE TICKS. Passed without amendment S. 1249, to authorize additional research and investigation into problems relating to eradication of cattle grubs, and eradication of these parasites either independently or on a cooperative basis (p. 8419).
4. RESEARCH LAND. Passed without amendment H. R. 195, to authorize USDA to sell to Sitka, Alaska, at its appraised value, a 1.3-acre tract formerly used as a site for agricultural research and weather service (p. 8419). This bill will now be sent to the President.
5. ACCOUNTING, ETC. Passed without amendment S. 1350, which authorizes GAO, if in concurrence of the department concerned, to relieve any disbursing or other accountable officer or agent or former disbursing or other accountable officer or agent of any department or agency charged with responsibility on account of physical loss or deficiency for any reason of Government funds, vouchers, checks, etc., if the department head determines that (1) the loss or deficiency occurred in discharge of official duties or by reason of an act or omission by a subordinate and (2) without fault or negligence; but that this authority shall not include illegal or erroneous payments (pp. 8439-40).
6. SMALL BUSINESS. Agreed, without amendment, to S. Con. Res. 14, favoring representation of small businessmen on policy-making bodies created by Executive appointment (pp. 8445-6).
7. NATIONAL FORESTS. The Public Lands Committee reported with amendments S.J. Res. 118, to authorize USDA to sell timber within the Tongass National Forest (S. Rept. 433) (p. 8399).
8. NOMINATION. The Agriculture and Forestry Committee reported favorably the nomination of James E. Wells to be Cooperative Bank Commissioner, FCA (p. 8400).
9. CROP INSURANCE. Discussed and passed over on objection of Sen. Taft, Ohio, S. 1326, to amend the Federal Crop Insurance Act with respect to limitations, etc., on crop insurance coverage (pp. 8440-1).
10. APPROPRIATIONS. Discussed and passed over on objection S. Con. Res. 6, to include all appropriation bills in one consolidated general appropriation bill (pp. 8444-5).
11. WORLD HEALTH ORGANIZATION. Discussed and passed over on objection S.J. Res. 98, to provide for U.S. participation in a World Health Organization (pp. 8447-8).
12. VETERANS' PREFERENCE. The Civil Service Committee reported with amendment S. 999, to amend the Veterans' Preference Act with respect to preference accorded in Federal employment to disabled veterans. (S. Rept. 428) (p. 8399).

and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

It shall not be necessary to set forth in such certificate any or the corporate powers enumerated in this act.

(b) A copy of a resolution of the board of directors certified to by the Secretary of such corporation which shows that said board believes it advisable that the corporation should elect to avail itself of the provisions of this act and become incorporated hereunder.

(c) A certificate of the secretary of such corporation to the effect that such action by the corporation has been ratified and approved by the affirmative vote of not less than a majority of the outstanding shares of capital stock of such corporation entitled to vote.

(d) If the Commissioner of Corporations finds that such papers conform to law, he shall accept them for filing in the same manner as herein provided for the filing of articles of incorporation.

#### EFFECT OF FILING ARTICLES OF REINCORPORATION OR CERTIFICATES OF REINCORPORATION

SEC. 144. Upon the issuance of articles of reincorporation or the certificate of reincorporation by the Commissioner of Corporations the existence of the corporation shall be continued under this act and the corporation shall be entitled to and be possessed of all the privileges, franchises, and powers and subject to all the provisions of this act as fully and to the same extent as if such corporation had been originally incorporated under this act; and all privileges, franchises, and powers theretofore belonging to said corporation and all property, real, personal, and mixed, and all debts due on whatever account, and all choses in action, and all and every other interest of or belonging to or due such corporation shall be, and the same are hereby, ratified, approved, and confirmed and assured to such corporation with like effect and to all intents and purposes as if the same had been originally acquired through incorporation under this act: *Provided*, however, That any corporation thus reincorporated or incorporating under the provisions of this act shall be subject to all the contracts, debts, claims, duties, liabilities, and obligations of the corporations thus reincorporated or incorporated as if such reincorporation or incorporation had not taken place and neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such reincorporation or incorporation. Such reincorporated or incorporated corporation shall not be subject to the payment of the initial franchise tax provided by this act.

#### TRANSFER OF DUTIES OF RECORDER OF DEEDS

SEC. 145. (a) All powers conferred and all duties imposed upon the Recorder of Deeds of the District of Columbia by any act of Congress in relation to the organization of corporations, the amendment of certificates of incorporation or charters of corporations, change in capital stock, change of name, reincorporation, dissolution, or other corporate action are on the effective date of this act hereby transferred to, imposed upon, and shall be exercised or performed by the Commissioner of Corporations; and wherever the words "Recorder of Deeds" or other words denoting that officer appear in any of the acts of Congress relating to the organization of corporations under the laws of the District of Columbia, or to amendments to the certificate of incorporation or charter of any corporation organized and existing under any of such acts, or to changes of name, changes of capital stock, reincorporation, dissolution, or other corporate action of any such corporation, whether such words relate to the powers and duties of such officer in relation to organization of corporations under any such acts, or to any of the corporate acts hereinbefore enumerated or are used in connection with the imposition of obligations or duties or the conferring of rights or privileges upon corporations or other persons, such words shall be construed to mean the Commissioner of Corporations. All fees and charges, except as hereinafter provided, now chargeable by the Recorder of Deeds for doing the work or performing the services hereby transferred to the Commissioner of Corporations shall, after the effective date of this act, be chargeable by the Commissioner of Corporations. On and after the effective date of this act all certificates of incorporation or charters for the organization of corporations under any act of Congress or for the amendment of any such certificate of incorporation or charter, changes in capital stock, reincorporation, dissolution, or other corporate action under any such act, shall be delivered to the Commissioner of Corporations in duplicate original. If the Commissioner of Corporations finds that any such document conforms to law, he shall, when all fees have been paid as prescribed by law—

(1) endorse on each such duplicate original the word "filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the Office of the Recorder of Deeds, and he shall charge the usual fee for recordation as for deeds of real estate.

(b) The filing of such document in the Office of the Commissioner of Corporations shall have the same force and effect as the recordation or lodging for recordation of certificates of incorporation and other corporate documents hereinbefore enumerated, formerly had in the Office of the Recorder of Deeds.

(c) Upon the effective date of this act, the Commissioner of Corporations shall take possession of all original books, papers, and records theretofore filed, recorded, used, or acquired by the Recorder of Deeds in the exercise of the powers and in the performance of the duties hereby transferred to the Commissioner of Corporations, but nothing herein contained shall require the Recorder of Deeds to transfer any copies or transcripts of corporate papers that may constitute part of the records of his office.

#### CONSTITUTIONALITY

SEC. 146. The invalidity of any portion of this act shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

#### RIGHT OF REPEAL RESERVED

SEC. 147. Congress reserves the right to alter, amend, or repeal this act, or any part thereof, or any certificate of incorporation or certificate of authority issued pursuant to its provisions.

#### TIME OF TAKING EFFECT

SEC. 148. This act shall take effect 180 days after the date of its approval, and thereafter no corporation eligible to be formed under this act shall be incorporated under any other act or statute now in force in the District of Columbia.

The amendment was agreed to.

Mr. CORDON. Mr. President, I notice the bill contains 255 pages of matter. I should like at least to have a slight explanation of what we are passing here, by unanimous consent, in view of the magnitude of the bill.

Mr. KEM. Mr. President, this is a comprehensive code for the organization of corporations under the laws of the District of Columbia. The present code has been in effect for many years, and is by no means modern. In the last Congress, the Senator from Nevada [Mr. McCARRAN] introduced a bill to modernize the code, but the bill was not passed. At this session, another bill, incorporating a part of the bill prepared by the Senator from Nevada, and including, in part, a bill prepared by the American Bar Association, was prepared by a committee of the Bar Association of the District of Columbia, under the chairmanship of Mr. Roger J. Whiteford, a well-known practitioner in that field at the bar of the District of Columbia. The bill was endorsed by the District of Columbia Bar Association and was sent to Congress, with an accompanying letter by Mr. George E. McNeil, president of the Bar Association of the District of Columbia, which letter appears at page 50 of the report recommending its passage.

At page 51 of the report there is a letter from Mr. Roger J. Whiteford, chairman of the committee that prepared the bill, also recommending its passage.

I think that any Senator, on careful examination of the bill, will find that it is a complete, modern, workable code for the organization of corporations. Under the present law, practically every corporation organized by citizen of the District of Columbia goes to a State like Maryland, or Delaware, or Maine. The purpose and intent of the law is to furnish a modern code for inhabitants of the District, so that when they have occasion to organize corporations they can do so under the laws of the District.

Mr. CORDON. Mr. President, I have no objection.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 8) was ordered to be engrossed for a third reading, read the third time, and passed.

#### RELIEF OF TREASURY DEPARTMENT CHIEF DISBURSING OFFICER

The Senate proceeded to consider the bill (S. 1350) to authorize relief of the

Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes, which had been reported from the Committee on Expenditures in the Executive Departments with an amendment, to strike out all after the enacting clause and insert the following: That the General Accounting Office is authorized, after consideration of the pertinent findings and if in concurrence with the determinations and recommendations of the head of the department or independent establishment concerned, to relieve any disbursing or other accountable officer or agent or former disbursing or other accountable officer or agent of any such department or independent establishment of the Government charged with responsibility on account of physical loss or deficiency for any reason whatsoever of Government funds, vouchers, records, checks, securities, or papers in his charge, if the head of the department or independent establishment determines (1) that such loss or deficiency occurred while such officer or agent was acting in the discharge of his official duties, or that such loss or deficiency occurred by reason of the act or omission of a subordinate of such officer or agent; and (2) that such loss or deficiency occurred without fault or negligence on the part of such officer or agent. This act shall be applicable only to the actual physical loss or deficiency of Government funds, vouchers, records, checks, securities, or papers, and shall not include deficiencies in the accounts of such officers or agents resulting from illegal or erroneous payments.

SEC. 2. The paragraph of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1920, and for other purposes," approved July 11, 1919, relating to relief of disbursing officers of the Navy (41 Stat. 132; U. S. C., title 31, sec. 105), and the act entitled "An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge," approved December 13, 1944 (58 Stat. 800; U. S. C., title 31, sec. 95a), is hereby repealed.

The amendment was agreed to.

Mr. BALL. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. Mr. President, the bill, which was originally requested by the Secretary of the Treasury, had as its original and sole purpose the providing, through the Comptroller General of the United States, of a channel of relief for present and former disbursing personnel, of the Division of Disbursement of the Treasury Department, who were under liability on account of physical loss or deficiency in Government funds, vouchers, records, or papers. The justification for the request by the Secretary of the Treasury is that, at the present time, relief of the kind with which this bill is concerned is required to be granted either through passage of a special relief bill by the Congress or by the filing of suit by the responsible person in the United States Court of Claims, the latter to be done at the personal expense of the responsible person. Both methods are costly and time consuming.

In the course of study of the proposal submitted by the Secretary of the Treasury, the staff of the committee developed the following pertinent facts:

First. The type of relief sought to be granted by the bill is entirely equitable because it covers only cases where the occurrence of the loss or deficiency clearly is beyond the control of the person to whom liability attaches.

Second. The War and Navy Departments have, for a number of years, enjoyed a similar type of legislation.

Third. The Comptroller General of the United States is wholly in support of the principles involved in the proposed legislation.

Fourth. In the particular interest of the Post Office Department, which has a vast number of employees in the category affected by the bill, the coverage of the legislation as proposed by the Secretary of the Treasury requires modification to include cases of secondary, in addition to primary, responsibility.

The Treasury originally proposed that they should be the final judge as to whether an employee or disbursing officer was at fault or not. The committee changed that to make the Comptroller General the final person who could grant the relief, rather than the head of the department.

The committee emphasizes also that the bill is directed to relief for physical loss or deficiency with respect to which the accountable Government employee is found to be wholly innocent of fault or negligence. The bill does not permit the granting of relief to any person who is guilty of wrongdoing by way of erroneous or illegal payments, embezzlement, or otherwise.

The committee gave the bill careful consideration, and consulted with the Comptroller General in respect to it.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 1350) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize relief of accountable officers of the Government, and for other purposes."

#### AMENDMENT OF FEDERAL CROP INSURANCE ACT—BILL PASSED OVER

The bill (S. 1326) to amend the Federal Crop Insurance Act was announced as next in order.

Mr. HICKENLOOPER. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. The bill reduces the scope of the Federal crop-insurance program. During the last few years there has been a pretty heavy loss in the insurance of crops. The committee felt that Federal crop insurance is rather in the experimental stage, and for that reason approved the bill, which reduces the scope of the crop-insurance program. We felt that if that were not done perhaps there would be no justification for continuing it at all. We thought at the same time that it should be continued on an experimental basis for some time longer.

The bill reduces the number of counties in which cotton crops may be insured to 56, instead of 800 or 900. It reduces the wheat-insurance program to 633 counties, instead of the 1,300 or 1,400 counties that have been insured. The reason for that reduction is not that money has been lost on wheat insurance, because, on the whole, the wheat-insurance program is in the black, but because so many counties demanded insurance where only a few acres or only

a comparatively small part of the crop-land was used for wheat, that the overhead expense of maintaining an establishment to insure those counties was out of all proportion, and placed an unfair burden on the regular Wheat Belt of the country.

The bill provides for an increase in the experimental insurance on tobacco, and, I believe, corn, from 20 to 50 acres. The reason for that is that there has been a very substantial profit made on the insurance on tobacco, and I think corn is slightly in the black.

The bill also authorizes the Government to enter into contracts with private insurance companies in a few counties—I think the number allowed is 20—to see if through cooperative effort, by using the staffs of the insurance companies which are writing fire insurance in those counties, it will be possible to work out some program whereby counties in which certain crops are of lesser importance may also receive insurance in the future.

The bill changes the board which handles the crop insurance program. Up to now the Secretary of Agriculture had been a member of the Board and he has appointed the other members. The bill provides that the Board shall consist of five members, three of whom shall be appointed by the Secretary of Agriculture from the Department, and two of whom shall be experienced insurance men who may be paid on a per diem basis.

The whole purpose of the bill is to try to get crop insurance on a practical basis. In order to do so we feel that it is necessary to experiment with it a little while longer. So far as I know there is not the slightest objection on the part of the private insurance companies to the program. In fact they are very much interested in it, and are looking forward to the time when they may be able to cooperate in it, but at present they do not feel that they themselves want to undertake it, except that some of them sell hail insurance.

There is one other portion of the bill which provides for increasing the capital stock of the Corporation from \$100,000,000 to \$150,000,000. Most of the \$100,000,000 has been spent on reimbursing losses on cotton. They have been very heavy. The loss was \$40,000,000 last year, although the other crops are in the black. Therefore, we felt that cotton should be put on an experimental basis again, and we have reduced the number of counties in which insurance can be written to 56.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CORDON. I am in accord with the thought that further experience is necessary, and that it would be altogether proper to follow some plan of experiment. I note, however, that there is an increase of the capital stock from \$100,000,000 to \$150,000,000. My understanding is that some \$80,000,000 of the original \$100,000,000 has now been used up in paying the excess insurance over the amount of premiums collected. Is that correct?

Mr. AIKEN. The Senator is correct. It is approximately that amount.

Mr. CORDON. There would be about \$70,000,000 available for the purpose of experiment. That would appear to be

rather a large sum for experimental purposes. I should particularly like to have the Senator advise us as to what is going to be done to set up a proper insurance program basis so that the hazards can at least be approximately offset by the actual insurance premiums paid.

**Mr. AIKEN.** That is the purpose of continuing it as an experimental program, because in the long run it must be made self-supporting if it is to continue. Most of the crops have been self-supporting. Unfortunately, there has been a heavy loss on cotton. However, this year, while the Federal Crop Insurance Board have their fingers crossed, the present indications are that they will finish in the black for all crops. But we feel that we should experiment further in the matter of premiums. That is one reason for cutting out many counties. Perhaps there is a county in which not more than 100 acres of wheat are grown, which is 500 miles from the wheat belt, and yet under the present law the Board has had to insure those 100 acres if the owner demanded it. I believe at the present time about 20 percent of the wheat crop of the country is under insurance.

With respect to tobacco, insurance has been limited to 20 experimental counties. We are raising that number to 40 counties because the experience has been good. There probably was more experience on the part of private insurance companies to be made use of in fixing premiums in those counties. The purpose is to make the insurance of crops self-supporting. The committee added an amendment which provides that the enactment of the legislation shall not break the contracts which have already been entered into for this year's insurance.

I might also say that there is a bill on the House calendar—

**Mr. LUCAS.** Mr. President, I demand the regular order.

The PRESIDENT pro tempore. The Senator from Illinois demands the regular order. The time of the Senator from Vermont has expired.

**Mr. TAFT.** Mr. President, I feel obliged to object. It seems to me the bill would require the expenditure of \$50,000,000 more this year. I think a matter of that sort ought to be considered in more detail than is possible under the 5-minute rule.

The PRESIDENT pro tempore. The bill will be passed over.

#### PATENT IN FEE TO CLAUDE E. MILLIKEN

The Senate proceeded to consider the bill (S. 714) authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken, which had been reported from the Committee on Public Lands with amendments, on page 1, line 3, after the word "That", to insert "upon application in writing," and in line 7, after the word "numbered", to strike out "144, the north half, north half, south half, south half, southwest" and insert "144, the north half, the north half of the south half and the south half of the southwest", so as to make the bill read:

*Be it enacted, etc.*, That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Claude

E. Milliken, of Billings, Mont., a patent in fee to the following described lands allotted to him on the Crow Indian Reservation, Montana: Allotment No. 144, the north half, the north half of the south half and the south half of the southwest quarter, of section 21, township 4 south, range 28 east, containing 560 acres, and the north half, northwest half of section 24, township 5 south, range 26 east, Montana principal meridian, containing 80 acres.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### MANAGEMENT OF RESTRICTED LANDS OF CROW TRIBE, MONTANA

The bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That, except as otherwise provided in this act, members of the Crow Tribe of Indians of Montana shall have power to use, lease, or otherwise manage their allotted lands and the allotted lands of their minor children, and to receive and manage the income therefrom, without supervision by any officer or agency of the United States.

SEC. 2. The allotted lands of members of such tribe who have been adjudged incompetent by a court or who are orphan minors shall be managed to the best interests of such members, jointly by the officer of the United States in charge of the Crow Indian Reservation and the next of kin of such persons.

SEC. 3. (a) No lease of lands for grazing or farming purposes shall be made under the authority of this act for a period longer than 5 years, except that irrigable lands under the Big Horn unit of the Crow Indian irrigation project may be leased for farming purposes for a period not exceeding 10 years.

(b) All leases of lands for farming or grazing purposes made under the authority of this act shall be recorded for public inspection at the Crow Indian Agency office.

SEC. 4. In any case in which, by reason of the number of heirs, the division of income from inherited allotted lands of members of the Crow Tribe is impracticable or involves unwarranted expense, such heirs shall be authorized to sell such lands and to receive the proceeds of such sale, but in any such sale preference shall be given to prospective purchasers who are members of such tribe. Upon any such sale, the Secretary of the Interior is authorized and directed to convey legal title to such lands to the purchaser thereof.

#### BYLAWS OF PROTESTANT EPISCOPAL CHURCH IN THE DISTRICT OF COLUMBIA

The bill (S. 1402) to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the parishes and separate congregations of the Protestant Episcopal Church in the District of Columbia may by bylaws provide for the manner of conducting elections of vestrymen, the number of vestrymen to be elected, and the length of the terms of the offices of vestrymen. Such bylaws may be adopted at any annual meeting of members of the parish or congregation by a vote of two-thirds of the qualified voters present at such meeting: Pro-

vided, That notice at least 30 days prior to the meeting shall be given by the vestry to all qualified voters of the parish or congregation that such bylaws are to be presented and voted upon.

SEC. 2. Any bylaws adopted as authorized by this act shall be subject to amendment, modification, or repeal at any annual meeting of the parish or congregation in the same manner as herein provided for adoption of such bylaws. Notice shall be given to all qualified voters of the parish or congregation at least 30 days prior to any annual meeting of any proposed amendment, modification, or repeal of any of the bylaws adopted pursuant to this act.

#### COLLECTION OF TRANSCRIPT FEES BY OFFICIAL REPORTERS OF MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

The bill (S. 1462) to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes, was announced as next in order.

**Mr. JOHNSTON** of South Carolina. Mr. President, may we have an explanation of the bill?

**Mr. KEM.** Mr. President, it is customary for official reporters of courts to sell transcripts at regular rates to those who desire to buy them. That is usually provided for by law. In the case of reporters in the municipal courts of the District of Columbia they have no such authority, and the bill gives them the usual and customary privilege.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That, in addition to their annual salaries, official reporters for the municipal court for the District of Columbia are authorized to charge and collect from parties, including the United States and the District of Columbia, who request transcripts of the original records of proceedings, such fees therefor, and no other, as may be prescribed from time to time by the court. All supplies shall be furnished by the official reporters at their own expense. The court shall have the power and is hereby directed to prescribe such rules, practice, and procedure pertaining to fees for transcripts as it may deem necessary, and the same shall conform as nearly as may be practicable to the rules, practice, and procedure pertaining to fees for transcripts established for the District Court of the United States for the District of Columbia. No fee shall be charged or taxed for any copy of a transcript delivered to a judge at his request or for any copies of a transcript delivered to the clerk of the court for the records of the court. Except as to transcripts that are to be paid for by the United States or the District of Columbia, the reporters may require any party requesting a transcript to prepay the estimated fee therefor in advance of delivery of the transcript.

#### METROPOLITAN POLICE BAND

The bill (H. R. 2470) to authorize the establishment of a band in the Metropolitan Police force was considered, ordered to a third reading, read the third time, and passed.

#### FUNDS FOR RECEPTION AND ENTERTAINMENT OF OFFICIALS IN THE DISTRICT OF COLUMBIA

The bill (H. R. 3547) to authorize funds for ceremonies in the District of

Columbia was considered, ordered to a third reading, read the third time, and passed.

**ONE HUNDRED AND FIFTIETH ANNIVERSARY OF ESTABLISHMENT OF THE DISTRICT OF COLUMBIA**

The Senate proceeded to consider the joint resolution (S. J. Res. 129) to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 10, after the word "citizens", to insert "residents in the District of Columbia", so as to make the joint resolution read:

*Resolved, etc.*, That, to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia in the year 1800, there is hereby established a commission to be known as the National Capital Sesqui-Centennial Commission, hereinafter referred to as the ("Commission") and to be composed of 15 Commissioners, as follows: The President of the United States, who shall be ex officio Chairman; the President pro tempore of the Senate and the Speaker of the House of Representatives, ex officio; three Senators to be appointed by the President pro tempore of the Senate and three Representatives to be appointed by the Speaker of the House of Representatives; three residents of the District of Columbia to be appointed by the President after receiving the recommendations of the Board of Commissioners of the District of Columbia; and three prominent citizens residents in the District of Columbia at large to be appointed by the President. The Commissioners, with the approval of the Chairman, shall select an Executive Vice Chairman from among their number.

Sec. 2. It shall be the duty of the Commission, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; to give due and proper consideration to any plan which may be submitted to it; to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions or by bodies created under appointment by the governors of the respective States and Territories or by representative civic bodies; and, if the participation of other nations in the commemoration be deemed advisable, to communicate with the governments of such nations.

Sec. 3. When the Commission shall have approved of any plan of commemoration, then it shall submit such plan, insofar as it may relate to the fine arts, to the Commission of Fine Arts for its approval, and, insofar as it may relate to the plan of the National Capital and its history, to the National Capital Park and Planning Commission and the Board of Commissioners of the District of Columbia for their joint approval, and in accordance with statutory requirements.

Sec. 4. The Commission, after selecting an Executive Vice Chairman from among its members, may employ a director and a secretary and such other assistants as may be needed to organize and perform the necessary technical and clerical work connected with the Commission's duties and may also engage the services of expert advisers without regard to civil-service laws and the Classification Act of 1923, as amended, and may

fix their compensation within the amounts appropriated for such purposes.

Sec. 5. The Commissioners shall receive no compensation for their services, but shall be paid actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, out of the amounts appropriated therefor.

Sec. 6. The Commission shall, on or before the 2d day of January 1948, make a report to the Congress, in order that further enabling legislation may be enacted.

Sec. 7. The Commission shall expire December 31, 1952.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

**ISSUANCE OF SEWER BONDS BY HONOLULU**

The bill (S. 1419) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, may authorize the city and county of Honolulu, a municipal corporation of the Territory of Hawaii, to issue general-obligation bonds in the sum of \$5,000,000 for the purpose of enabling it to construct, maintain, and repair a sewerage system in the city of Honolulu.

Sec. 2. The bonds issued under authority of this act may be either term or serial bonds, maturing, in the case of term bonds, not later than 30 years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

Sec. 3. *Act* — of the Session Laws of Hawaii, 1947, pertaining to the issuance of sewerage system bonds, as authorized by this act, is hereby ratified and confirmed subject to the provisions of this act: *Provided, however*, That nothing herein contained shall be deemed to prohibit the amendment of such Territorial legislation by the Legislature of the Territory of Hawaii from time to time to provide for changes in the improvements authorized by such legislation and for the disposition of unexpended moneys realized from the sale of said bonds.

**PUBLIC IMPROVEMENT BONDS FOR THE TERRITORY OF HAWAII**

The bill (S. 1420) to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That, during the years 1947 to 1951, inclusive, the Territory of Hawaii is authorized and empowered to issue, any provision of the Hawaiian Organic Act or any other act of Congress to the contrary notwithstanding, public-improvement bonds in such amounts as will not cause the total indebtedness of such Territory to exceed \$35,000,000. Any extension of the total indebtedness of such Territory beyond \$35,000,000 shall be made solely in conformity with the Hawaiian Organic Act.

Sec. 2. All bonds issued pursuant to section 1 shall be serial bonds payable in substantially equal annual installments, with the first such installment maturing not later

than 5 years from the date of issue and the last such installment maturing not later than 30 years from such date.

Sec. 3. Bonds shall not be issued pursuant to section 1 without the approval of the President of the United States.

**BILL PASSED OVER**

The bill (S. 1038) to amend the Federal Airport Act was announced as next in order.

Mr. BARKLEY, Mr. McFARLAND, and other Senators asked that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

**RETURN OF ITALIAN PROPERTY IN THE UNITED STATES**

The joint resolution (S. J. Res. 138) to provide for returns of Italian property in the United States, and for other purposes, was announced as next in order.

Mr. BYRD. Mr. President, may we have an explanation of the joint resolution?

Mr. VANDENBERG. Mr. President, I am very glad to explain the joint resolution. I think I can do so briefly.

I am sure that the purposes of the joint resolution will meet the unanimous desires of the Senate, as expressed at the time the Italian Peace Treaty was agreed to. This is one of the several very definite steps which the American Government is now undertaking to take by way of cooperation with the new democratic government in Italy.

In the course of the war \$60,000,000 worth of Italian property in the United States was either blocked or vested. Forty-five million dollars of this Italian property in the United States was blocked by the Treasury. That can be unblocked by the Treasury without legislative action, as a result of negotiations with the new Italian Government. Such negotiations are now under way.

The other \$15,000,000 of property was vested in the Alien Property Custodian. The difference in the types of property is that, speaking generally, the property which was blocked would be current property, liquid property, money, and securities. The vested property is permanent property. The vested property cannot be taken out from under the Alien Property Custodian and returned to the Italian owners without an act of Congress. It is the purpose, therefore, of the joint resolution to permit the return of \$15,000,000 of Italian property to Italian owners, with a reservation of about \$5,000,000 to pay any possible American claims against it. That is one purpose of the joint resolution.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Are any patent rights involved in this proposal? I ask that question because in the case of Germany a great many valuable patent rights were acquired by the Alien Property Custodian and made available to our people.

Mr. VANDENBERG. It is my understanding that there are almost no patent rights involved in this particular transaction.

The other half of the bill deals with the loss of Italian merchant ships which





DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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**HIGHLIGHTS:** Senate passed Aiken crop insurance bill. House debated sugar bill. House committee ordered reported bills to permit timber sales in Tongass Forest, to make specific provision for milk price support, to provide for Alaska settlement by veterans, and to amend Reclamation Act. Rep. Hardy introduced bill to amend AAAAct re peanut marketing quotas. President approved State, Justice, Commerce, Judiciary appropriation bill.

SENATE

1. CROP INSURANCE. Passed with amendments S. 1326, to place the crop-insurance program on a limited basis (pp. 8698-9). Agreed to an amendment by Sen. Aiken, Vt., to authorize \$25,000,000 additional capital instead of \$50,000,000 as proposed in the bill as reported (p. 8699). For provisions of bill see Digest III.
2. COMMITTEE STAFF. The Chairman of the Agriculture and Forestry Committee submitted a report on the names and salaries of the Committee staff (p. 8655).
3. APPROPRIATIONS. The Appropriations Committee reported with amendments: H. R. 3993, the legislative appropriation bill (S. Rept. 467) (p. 8655); and H. R. 3678, the military appropriation bill (S. Rept. 465) (p. 8655).

4. DAYLIGHT SAVING TIME. The D. C. Committee reported without amendment S. 1481, to authorize the D. C. Commissioners to establish daylight-saving time in D. C. during the summer of each year (p. 8655).

HOUSE

5. SUGAR. Began debate on H. R. 4075, the sugar bill (pp. 8720-31).
6. D. C. APPROPRIATION BILL. Passed with amendments this bill, H. R. 4106 (pp. 8706-19).
7. FOOD SHIPMENTS. Rep. Vorys, Ohio, inserted a State Department report on shipments of food from Greece to U. S., and H. Res. 258, requesting this information, was laid on the table (p. 8704). Reps. Rogers, Mass., and Rich, Pa.,

- expressed dissatisfaction with the report (pp. 8704-5).
8. SUGAR. Rep. Eberharter, Pa., said the intent of Congress is being disregarded concerning allocation of sugar for industrial users and recommended termination of these controls (p. 8705).
9. STOCKPILING. Received from this Department a proposed bill to amend the Strategic and Critical Materials Stock Piling Act so as to enable CCC to be compensated for materials transferred to the stockpile in the same manner as is now provided for RFC, by cancellation of Treasury notes; to Armed Services Committee (p. 8736).
10. FOREST TIMBER. The Agriculture Committee ordered reported (but did not actually report) H.J.Res. 805, to provide for the sale of timber within the Tongass National Forest (p. D508).
11. MILK PRICE SUPPORTS. The Banking and Currency Committee ordered reported (but did not actually report) H.R. 3370, to provide for a support price of milk (p. D508). The Daily Digest states: "Under the bill the Secretary of Agriculture is directed to announce the support price for all milk produced in the United States until December 31, 1948. The announced support price shall be for a period of 3 or 6 months and shall be 'at not less than 90 percent of parity' and shall include all milk regardless of its ultimate use. The Secretary of Agriculture is directed to make this announcement within 60 days after the effective date of the act."
12. LANDS. The Public Lands Committee ordered reported (but did not actually report) the following bills: H.R. 2867, to permit mining in Harney National Forest; H.R. 2873, to amend the provisions of the Reclamation Project Act of 1939; H.R. 3218, to provide emergency funds for the Bureau of Reclamation operation; H.R. 3971, to increase size of isolated or disconnected tracts that can be sold; H.R. 4059, to provide for settlement of parts of Alaska by war veterans; H.R. 4079, to amend the Taylor Grazing Act regarding grazing fees and permits; S. 753, to defer collection of construction charges, Flathead Irrigation project; and S. 1185, to provide for disposal of certain materials on public land (pp. D509-10).

BILLS INTRODUCED

13. PEANUTS; AAACT. H.R. 4124, by Rep. Hardy, Va., to amend the peanut marketing quota provisions of the Agricultural Adjustment Act. To Agriculture Committee. (p. 8737.)
14. PUBLIC WORKS. H.R. 4125, by Rep. Rains, Ala., relating to loans by Federal agencies for the construction of certain public works. To Public Works Committee. (p. 8737.)
15. FLOOD CONTROL. H.R. 4126, by Rep. Raney, Ohio, to include the Howard Farms Reno area, Lucas County, Ohio, within the provisions of the Flood Control Act of June 22, 1936. To Public Works Committee. (p. 8737.)
16. PERSONNEL. H.R. 4127, by Rep. Stevenson, Wis., "to amend the Civil Service Retirement Act." To Post Office and Civil Service Committee. (p. 8737.)
17. RECONSTRUCTION FINANCE CORPORATION. S. 1587, by Sen. Johnston, S.C., to amend the Reconstruction Finance Corporation Act so as to authorize the RFC to purchase home loans guaranteed or insured under the G.I. Bill. To Banking and

ment, the question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to promote the national security by providing for a National Security Organization, which shall be administered by a Secretary of National Security, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Security Organization, and for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security."

Mr. GURNEY subsequently said: Mr. President, I ask unanimous consent that there be printed in the body of the RECORD immediately after the vote was announced on Senate bill 758 a letter from General Eisenhower; a letter from Admiral Nimitz; resolutions adopted by various patriotic organizations, the American Legion, the DAR, Reserve Officers, Catholic War Veterans, National Cooperative Milk Producers' Federation, Air Reserve Association, National Aviation Clinic, Northwest Aviation Planning Council; and also an editorial entitled "Unification at This Session," published in the New York Times on July 2, 1947; also a press release issued by the American Legion on June 30, 1947.

The PRESIDENT pro tempore. Is there objection to the request?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF STAFF,  
Washington, June 4, 1947.

The Honorable CHAN GURNEY,  
Chairman, Senate Armed Services Committee,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR: The War Department representative who has been working with your committee on the unification legislation has informed me of the general provisions of your final draft of S. 758, Confidential Committee Print No. 7.

Although it is noted that some changes and modifications have been made in the form and substance of the bill originally presented to your committee and which was supported by the War Department during hearings, I believe that the legislation in its present form presents a thoroughly practicable organization of the armed services which will permit us with increased economy and efficiency to do our part in the preservation of the peace and, if need be, the prosecution of war.

I wish to reiterate my previous statement to your committee that early action on this legislation is necessary in order that we may get on with the important task of planning and preparing the armed services to meet the requirements of our national security.

Sincerely yours,

DWIGHT D. EISENHOWER.

NAVY DEPARTMENT,  
OFFICE OF THE CHIEF  
OF NAVAL OPERATIONS,  
Washington, D. C., June 7, 1947.

Hon. CHAN GURNEY,  
United States Senate.

DEAR SENATOR GURNEY: I have had an opportunity to examine the National Security Act (S. 758) in the form in which it was approved by your committee.

I believe that the changes made by the committee have improved the bill, and that, to an even greater extent than before, it will provide a much-needed program for the future security of the United States and a structure within which the United States Navy can continue effectively to discharge its responsibilities in connection with the national security.

Early enactment of this legislation is most desirable because not until it is enacted can the military services function at full efficiency in the solution of the many urgent problems which are affected by its enactment.

Sincerely yours,

C. W. NIMITZ,  
Fleet Admiral, U. S. N.

RESOLUTION ADOPTED BY THE AMERICAN LEGION  
AT ITS NATIONAL CONVENTION HELD IN SAN  
FRANCISCO ON OCTOBER 4, 1946

Resolution 816, as amended, single Department of National Security

Whereas the American Legion at its twenty-seventh annual national convention established its policy on unification as follows: "We endorse the principle of a unified command of our armed forces with the Army, Navy, and Air Force on an equal level"; and Whereas Congress, recognizing the need for unification of the armed forces, has voted to reorganize its Committees on Military and Naval Affairs to accomplish unity of action; and

Whereas closer coordination between branches of the armed services is essential to adequate preparedness and economy of supply: Now, therefore, be it

*Resolved*, That the Congress is requested to enact appropriate legislation to establish a single Department for National Security with provision for the Army, Navy, and Air Forces on an equal level therein.

DAR BACKS UNIFICATION—RESOLUTION ADOPTED BY THE FIFTY-SIXTH CONTINENTAL CONGRESS, NATIONAL SOCIETY, DAUGHTERS OF THE AMERICAN REVOLUTION, MAY 19-23, 1947

Whereas in order that there may be created in peacetime adequate machinery for planning and coordinating the mobilization and conversion of our total economy against the threat of a future war; and

Whereas in order that our country may be organized to assure the coordinated application of its economic and military might before the urgency of possible future wartime reverses forces such coordination upon us; and

Whereas in order that our national security policy be at all times attuned to our foreign and domestic policies: Be it

*Resolved*, That the National Society, Daughters of the American Revolution wholeheartedly support and recommend prompt and favorable action of the Congress legislation "to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department

of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security," as agreed to and supported by the War and Navy Departments and now being considered by congressional committees.

(Copies sent to: The President of the United States, Harry S. Truman; Secretary of War, Robert P. Patterson; and Secretary of the Navy, James V. Forrestal.)

RESERVE OFFICERS ASSOCIATION IN ANNUAL CONVENTION, JUNE 18-21, 1947, MIAMI, FLA., URGE UNIFICATION AT THIS SESSION OF CONGRESS Resolution on coequal status of services under single department

Whereas the President of the United States has heretofore recommended to Congress integration of the armed forces of the United States to include Army, Navy, and Air Forces under a single department of national defense; and

Whereas the various departments have not been able to agree on a plan implementing such recommendations; and

Whereas it is the unanimous recommendation of the Reserve Officers Association of the United States that such a single department will effect unity of command, simplify personnel requirements, facilitate combined operations, economize supply procurement, and realize the maximum employment of all potentials to insure national security: Now, therefore, be it

*Resolved*, That the Reserve Officers Association of the United States in convention assembled at Miami, Fla., June 18-21, 1947, urge the Eightieth General Congress to enact legislation carrying out the recommendation of the President of the United States for the unification of the armed forces of the United States with coequal status of our Army, Navy, and Air Corps under a single department of national defense.

CATHOLIC WAR VETERANS REQUEST UNIFICATION—NATIONAL CONVENTION, CLEVELAND, JUNE 19, 1947

Resolution

Whereas the United States today faces the growing menace of anti-Christian forces, indoctrinated in the sinister tenets of totalitarian thought; and

Whereas in order that our Nation may so coordinate its military and economic power as to be strong in the face of this menace; and

Whereas in order that our National Military Establishment may be geared to our policies in dealing with this threat; and

Whereas our recent victories in the various theaters of world conflict attest to the over-all efficiency of unity of command: Be it

*Resolved*, That the national convention, Catholic War Veterans of America, herewith assembled, give its complete and wholehearted support to legislation unifying the armed services of the Nation under a Secretary of National Defense, with a Department of the Army, a Department of the Navy, and a Department of the Air Force; and be it further

*Resolved*, That this convention record its feeling that this legislation should be passed by the current session of Congress, before recess or adjournment.

RESOLUTION ADOPTED BY THE NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION NATIONAL CONVENTION AT ST. LOUIS, MO., NOVEMBER 13, 1946

**Resolution on national security**

We favor an adequate, highly mobile, well trained, and excellently equipped Military Establishment. We believe that this can be assured on a voluntary basis by making enlistment attractive through adequate compensation and provision for a high type of educational, physical, and spiritual training. We particularly emphasize the need for a unified control over an autonomous Air Force, Army, and Navy. We believe also that the regular military forces should be supplemented by an enlarged National Guard and Reserve officers' training program.

UNIFICATION FAVERED BY AIR RESERVE ASSOCIATION AT ITS ANNUAL CONVENTION, MEMPHIS, TENN., NOVEMBER 18, 19, AND 20, 1946

Whereas economy in military organizations is necessary in order to obtain maximum defense per dollar invested; and

Whereas the experience in World War II has shown the necessity for one supreme co-ordinated command of military services; Now, therefore, be it

*Resolved*, That the Air Reserve Association favors a single department of defense with coordinated land, sea, and air components; and furthermore be it

*Resolved*, That action be taken by Congress at the earliest possible moment in order to eliminate the present delay in the reorganization of the Army Air Forces.

RESOLUTION 4 OF NATIONAL AVIATION CLINIC, OKLAHOMA CITY, OKLA., OCTOBER 14-17, 1946

**Resolution on national defense**

*Resolved*, That the National Aviation Clinic strongly favors, and again urgently recommends, the immediate establishment of a Secretary of Defense with three Under Secretaries for the Army, Navy, and Air Power.

NORTHWEST AVIATION PLANNING COUNCIL COMPRISING ALASKA, BRITISH COLUMBIA, ALBERTA, WASHINGTON, OREGON, IDAHO, AND MONTANA, HELD AT BUTTE, MONT., SEPTEMBER 22-24, 1946

**Resolution 12**

Whereas the strength of national security under present unsettled world conditions is of extreme importance; and

Whereas the advancement in aircraft design has and will require additional defense of the Northwest and the Nation; It is hereby

*Resolved*, That the Northwest Planning Council place itself on record as favoring a strong Air Force in being, supported by a strong Air Reserve and National Guard, a strong aircraft industry, air-transport system, and civilian flying operation and scientific research and development program; and

Whereas economy in military organization is necessary in order to obtain maximum defense per dollar invested; and

Whereas experience in World War II has shown the necessity for one supreme coordinating command of military services; and

Whereas the effective strategic employment of air power during World War II has justified its recognition as military power in its own right; Now, therefore, be it

*Resolved*, That the Northwest Aviation Planning Council, exclusive of Canadian delegates, go on record as favoring a single Department of Defense with coequal Army, Navy, and Air components; and furthermore be it

*Resolved*, That the council is in favor of action being taken by Congress at the earliest possible moment in order to eliminate the present delay in reorganization of the Army Air Forces.

[From the New York Times of July 2, 1947]

**UNIFICATION AT THIS SESSION**

With the Senate scheduled to begin debate today on the bill to unify the armed services and a House committee ending its hearings today on a similar measure, there is every indication that a decision will be reached at this session of Congress. Opposition in both Chambers is expected to be lively but not large.

Unification is a prerequisite to the formulation of any intelligent military policy for the United States. As long as it remains a disputed legislative matter no really long-range planning can be done. It has been almost 2 years since the guns were silenced in the Pacific and high time to be about molding the peacetime military establishment we need. The longer a decision is delayed the more frictions will develop among the services in their campaigns for appropriations and congressional preference and the longer costly duplications will continue.

In overriding some of its armed services committeemen in the House, who apparently favored an interminable continuance of hearings until every Navy officer who objected could be heard, the Republican leadership has shown political courage and statesmanship. Recent testimony by naval officers before the House committee had raised no new points of objection to the basic principle. Most of it has been along the pattern of "Yes, but" and the putting forward of alternatives that in many cases would be as weak as no unification at all.

Fortunately, unification has not been made a partisan issue. President Truman is vigorously in favor of it. So, apparently, is the leadership of both major parties. The Secretaries of War and Navy and the ranking commanders of Army, Navy, Air, and the Marine Corps have all put their stamp of approval on the proposed legislation. There is a time for discussion and a time for decision. On unification the time for decision has arrived. Delaying tactics in either House should not be sanctioned by the leadership. The quicker unification can be put into practice the sooner we shall have that integration of policy and of services which was so obviously needed during the war and is just as necessary today.

[From the Evening Star, Washington, D. C., of June 30, 1947]

**AMERICAN LEGION URGES UNIFICATION NOW—LEGION ASKS CONGRESS TO PUT SERVICES UNDER SINGLE DEPARTMENT**

The American Legion urged Congress today to establish a single Department of National Defense, "with provision for the Army, Navy, and Air Forces on an equal level therein."

The Legion's views were presented to the House Expenditures Committee by John Dwight Sullivan, of New York, and Arthur F. Duffy, Jamaica, N. Y. The committee is holding hearings on legislation proposing unification of the armed forces.

The two Legion representatives presented the conclusions of the veterans' organization as follows:

1. In the opinion of the Legion the time for action is now.

2. While the opinions "of our military and naval leaders are to be considered with respect," and while it is desirable that they resolve their differences as far as possible, it is neither necessary nor advisable that we wait until they are in complete agreement on details before this necessary action is taken."

3. No branch of the armed services "has any vested interest in the national security and that the sole question to be determined is as to the manner in which the national security can best be preserved."

4. The end to be attained is the centralization of civilian authority and control under the President.

**FEDERAL CROP INSURANCE**

Mr. TAFT. Mr. President, on the last call of the calendar, I objected to the bill of the Senator from Vermont [Mr. AIKEN], Senate bill 1326, dealing with the question of crop insurance. There was no other objection, after some discussion. I have discussed the matter further with the Senator from Vermont. The bill generally is restrictive of the policy of crop insurance, and I objected only because of the increase in authority by some \$50,000,000 which was contained in the bill. I have agreed with the Senator from Vermont that, if the amount is reduced to \$25,000,000, I will withdraw my objection. I therefore ask unanimous consent that the Senate proceed to the consideration of Calendar No. 384, Senate bill 1326.

The PRESIDENT pro tempore. The Senator from Ohio asks unanimous consent for the present consideration of Calendar 384, Senate bill 1326. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1326), to amend the Federal Crop Insurance Act, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 9, to strike out lines 8, 9, 10, and 11, as follows:

SEC. 9. The provisions of law amended by this act shall be deemed to continue in full force and effect for purposes of carrying out the provisions of insurance contracts entered into prior to the enactment of this act.

**And to insert:**

Nothing in this act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this act is hereby terminated at the end of the 1947 crop year.

**So as to make the bill read:**

*Be it enacted, etc.*, That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(a) (1) Commencing with crops planted for harvest in 1948, to insure producers of the agricultural commodities authorized to be insured by paragraphs (2) and (3) of this subsection, upon such terms and conditions not inconsistent with the provisions of this title as it may determine, against loss due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Such insurance shall not cover in excess of 75 percent of the recorded or appraised average yield of such commodities on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: Provided, That if 75 percent of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum percent so as more nearly to reflect the

investment in the crop in such area. Such insurance shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. Insurance shall not be provided in any county unless written applications therefor are filed covering at least 200 farms, or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured.

"(2) To insure producers of wheat in not to exceed 633 counties, and producers of flax in not to exceed 87 counties: *Provided*, That insurance may be offered to such producers in selected counties in accordance with the provisions of paragraph (3) of this subsection, if the Board so determines.

"(3) For the purpose of determining the most practical plan, terms, and conditions of insurance with respect to cotton, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugarcane, timber and forests, potatoes and other vegetables, citrus and other fruits, tame hay, and any other agricultural commodity, if sufficient actuarial data are available, as determined by the Board, to insure producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity, notwithstanding any other provision of this title: *Provided*, That such insurance shall be limited in 1948 to not more than five crops (exclusive of wheat and flax, but including corn, cotton, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity under this paragraph, except corn, cotton, and tobacco, shall be limited to producers in not to exceed 20 counties selected by the Board as representative of the several areas where the agricultural commodity is normally produced. In the case of corn and tobacco, such insurance shall be limited to producers in not to exceed 50 such counties; and, in the case of cotton, such insurance shall be limited to producers in not to exceed 56 such counties."

SEC. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(b) To fix adequate premiums for insurance in the agricultural commodity or in cash, at such rates as the Board deems sufficient to cover claims for crop losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses: *Provided*, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of such other fixed price as the Board may determine. Such premiums shall be collected at such time or times, or shall be secured in such manner, as the Board may determine."

SEC. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(c) To adjust and pay claims for losses in the agricultural commodity or in cash, under rules prescribed by the Board: *Provided*, That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid. The Corporation shall provide for the posting annually in each county at the county courthouse of a list of indemnities paid for losses on farms in such county.

In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided*, That no suit on such claims shall be allowed under this section unless the same shall have been brought within 1 year after the date when notice of denial of the claim is mailed to and received by the claimant."

SEC. 4. Subsection (e) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(e) Commencing with the 1948 crop, to provide, upon such terms and conditions as the Board may determine, reinsurance to private insurance companies which insure producers of any agricultural commodity under contracts acceptable to the Corporation and consistent with the provisions of this title: *Provided*, That reinsurance for private insurance companies shall be limited to contracts covering farms in not to exceed 20 counties selected by the Board."

SEC. 5. Section 508 of the Federal Crop Insurance Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(f) Beginning with the 1948 crop, if the Board shall so determine, to establish local insurance areas (county, or larger contiguous area determined by the Board), and operate, through local associations established under the provision of section 507 (c) of this title, a plan of insurance in any such area which would provide for premium assessments in any year following a year in which the accumulated losses (exclusive of any amount drawn from reserves of the Corporation) or any agricultural commodity in the area exceed the accumulated premiums (less any amount credited to reserves of the Corporation) on such commodity, such assessments to be continued until the accumulated premiums (less any amount credited to reserves of the Corporation) exceed the accumulated losses (exclusive of any amount drawn from reserves of the Corporation): *Provided*, That no such assessment shall be made against new insured producers for the first year of insurance."

SEC. 6. Subsection (a) and (b) of section 504 of the Federal Crop Insurance Act are amended by striking out "\$100,000,000" and inserting in lieu thereof "\$150,000,000."

SEC. 7. Subsection (d) of section 506 of the Federal Crop Insurance Act is amended to read as follows:

"(d) Subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property."

SEC. 8. Section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 505. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the 'Board') subject to the general supervision of the Secretary of Agriculture. The Board shall consist of the manager of the Corporation, two other persons employed in the Department of Agriculture, and two persons experienced in the insurance business who are not otherwise employed by the Government. The Board shall be appointed by, and hold office at the pleasure of the Secretary of

Agriculture, who shall not, himself, be a member of the Board.

"(b) Vacancies in the Board so long as there shall be three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three of the members in office shall constitute a quorum of the transaction of the business of the Board.

"(c) The Directors of the Corporation who are employed in the Department of Agriculture shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia. The members of the Board who are not employed by the Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed \$100 per day each when actually employed and necessary traveling and subsistence expenses when engaged in business of the Corporation away from their homes or regular places of business.

"(d) The manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture."

SEC. 9. Nothing in this act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this act is hereby terminated at the end of the 1947 crop year.

The amendment was agreed to.

Mr. AIKEN. Mr. President, I offer an amendment, on page 7, line 9, to strike out "\$150,000,000" and insert "\$125,000,000."

The PRESIDENT pro tempore. The Senator from Vermont offers an amendment, which the clerk will state.

The CHIEF CLERK. On page 7, line 9, it is proposed to strike out "\$150,000,000" and insert in lieu thereof "\$125,000,000."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WHITE. Mr. President—

The PRESIDENT pro tempore. The Senator from Maine.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. LANGER. I should like to ask the distinguished Senator from Vermont a question in connection with the crop insurance bill just passed. Do I understand that the sum of \$25,000,000 is an increase of \$25,000,000 over last year?

Mr. AIKEN. It is an authorization to increase the capital to \$25,000,000; but of course it will have to be obtained from the Appropriations Committee. The \$25,000,000 seemed to be adequate to take care of the future. It appeared that the \$50,000,000 that was originally requested was not necessary.

#### ADJOURNMENT

Mr. WHITE. Mr. President, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 18 minutes p.m.) the Senate adjourned until tomorrow, Thursday, July 10, 1947, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate July 9 (legislative day of July 7), 1947.

## UNITED STATES MARSHALS

Chester S. Dishong, of Florida, to be United States marshal for the southern district of Florida. (Mr. Dishong is now serving in this office under an appointment which expired May 7, 1947.)

A. Roy Ashley, of South Carolina, to be United States marshal for the western district of South Carolina, vice Reuben Gosnell, term expired.

## UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be senior surgeons (equivalent to the Army rank of lieutenant colonel), effective date of oath of office:

Walter E. Doyle  
Charles Ferguson  
Bengt L. K. Hamilton

To be surgeon (equivalent to the Army rank of major), effective date of oath of office:

Ira Lewis

To be scientist (equivalent to the Army rank of major), effective date of oath of office:

John C. Keresztesy

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Marlon F. Graham	Henry C. Savage
Robert P. Ralls	John S. McMillin
Robert C. Rodger	John L. Lightburn
James B. Dukes	Kenneth W. Horne
M. Lawrence Brockmyer	Robert A. Mattingly, Jr.

Henry D. Smith

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of oath of office:

Rheim M. Jones  
George A. Spendlove  
Thomas A. Hathcock

The following-named candidates for promotion in the Regular Corps of the Public Health Service:

Surgeons to be temporary senior surgeons (equivalent to Army rank of lieutenant colonel):

Alexander A. Doerner  
Abraham Wikler  
Harry Helmann  
Scientist to be temporary senior scientist (equivalent to Army rank of lieutenant colonel):  
Samuel W. Simmons

## POSTMASTERS

The following-named persons to be postmasters:

## ALASKA

Lawrence T. McGuane, Skagway, Alaska, in place of M. V. Rafferty, resigned.

## CALIFORNIA

Lillian Linde Hilderman, Keeler, Calif. Office became Presidential July 1, 1947.

Letitia D. Winn, Venice, Calif., in place of L. H. Strickland, removed.

Martin A. Broadbent, Walnut, Calif. Office became Presidential July 1, 1945.

## CONNECTICUT

Ralph S. Gregory, Cannondale, Conn. Office became Presidential July 1, 1947.

Blanche M. Turbarg, Colebrook, Conn. Office became Presidential July 1, 1947.

Carleton L. Quint, North Woodbury, Conn., in place of H. H. Canfield, retired.

Russell G. Beckwith, South Windham, Conn., in place of C. E. Johnson, resigned.

Joseph E. Scheidel, West Simsbury, Conn. Office became Presidential July 1, 1947.

John J. Cahill, Wilton, Conn., in place of I. V. Lawson, resigned.

## FLORIDA

Ollie T. Vaughan, Dinsmore, Fla., in place of M. L. Vaughan, deceased.

## HAWAII

Agnes F. Baldwin, Hamakuaokoa, Hawaii. Office became Presidentialial July 1, 1945.

## ILLINOIS

Gustave J. Frech, Lenzburg, Ill., in place of Charles Dickson, retired.

## INDIANA

Novle A. Huff, Taswell, Ind. Office became Presidential July 1, 1945.

Lawrence J. Etnire, Williamsport, Ind., in place of L. J. Etnire, transferred.

## IOWA

Earl E. Shelledy, Spirit Lake, Iowa, in place of W. W. White, resigned.

## KENTUCKY

Louise McKinney, Midway, Ky., in place of M. D. Cogar, retired.

Bess L. Hope, Tompkinsville, Ky., in place of E. L. Bradshaw, retired.

## LOUISIANA

Effie O. Broussard, Allemands, La. Office became Presidential July 1, 1947.

Chester J. Carville, Caryville, La., in place of L. A. Carville, retired.

## MAINE

Ellery L. Robinson, Lisbon Center, Maine, in place of L. R. Beton, resigned.

## MARYLAND

William F. Mann, Finksburg, Md., in place of E. F. Horner, resigned.

William Edgar Ensor, Sparks, Md., in place of F. H. Blake, resigned.

## MASSACHUSETTS

Hattie A. Wilson, Bryantville, Mass., in place of P. E. Wilson, resigned.

## MICHIGAN

George L. Lobenhofer, East Saugatuck, Mich. Office became Presidential July 1, 1947.

Maggie A. Porter, Idlewild, Mich. Office became Presidential July 1, 1947.

Lawrence H. Jordan, National City, Mich. Office became Presidential July 1, 1947.

## MISSISSIPPI

Robert M. Fisher, Jr., Bucatunna, Miss., in place of R. D. Sigler, transferred.

Hubert B. Scrlvener, Maben, Miss., in place of C. H. Douglas, resigned.

Owen O. Odom, Steens, Miss., in place of S. L. Brewer, deceased.

## NEW MEXICO

Mary E. Behrens, Encino, N. Mex., in place of Alfredo Bachicha, removed.

## NEW YORK

William A. Bramer, Clyde, N. Y., in place of K. D. Maloy, resigned.

Mary N. Seamans, East Pembroke, N. Y., in place of H. A. McCargar, retired.

## OHIO

Walter L. Bervinkle, Jr., Fort Jennings, Ohio, in place of C. B. Brockman, transferred.

Marjorie C. Rees, Medway, Ohio, in place of H. J. Bagford, resigned.

Elaine D. Severn, Mendon, Ohio, in place of D. M. Miller, resigned.

## OKLAHOMA

Willard P. Perrymore, Kinta, Okla. Office became Presidential July 1, 1943.

## OREGON

Veston H. Casey, Beatty, Oreg. Office became Presidential July 1, 1947.

Robert E. Richter, Camas Valley, Oreg., in place of A. M. McFall, declined.

Alma M. Elliott, Chiloquin, Oreg., in place of E. H. Hosley, resigned.

## PENNSYLVANIA

Clarence R. Tobin, Cresson, Pa., in place of E. C. Bishop, resigned.

Leonard A. Hampton, Holcraig, Pa. Office became Presidential July 1, 1947.

Irene Josephson, Tamiment, Pa. Office became Presidential July 1, 1947.

Marlan H. Van Wyk, Whittford, Pa. Office became Presidential July 1, 1947.

Charles O. Barry, Williamson, Pa., in place of J. R. Hancock, retired.

## RHODE ISLAND

Bruce J. Stokes, Forestdale, R. I., in place of A. J. Stokes, retired.

LeRoy E. Davis, Greene, R. I., in place of C. H. Arnold, retired.

## SOUTH CAROLINA

James W. Ballard, Folly Beach, S. C., in place of M. S. Bennett, resigned.

Ruth Hill Klump, Isle of Palms, S. C. Office became Presidential July 1, 1947.

Pauline P. Able, Norway, S. C. Office became Presidential July 1, 1947.

James C. Cauthen, Orangeburg, S. C., in place of A. B. Chavis, resigned.

## TENNESSEE

Sam P. Gammon, Fordtown, Tenn. Office became Presidential July 1, 1944.

## TEXAS

John D. Hendricks, Cooper, Tex., in place of W. D. Hart, deceased.

Jim A. Bayer, Dilme Box, Tex., in place of D. F. Stamps, retired.

Hardy R. Hancock, Jasper, Tex., in place of E. N. Seale, resigned.

Jeff T. Graham, Knox City, Tex., in place of B. C. Anderson, transferred.

Roy B. Hennington, McCaulley, Tex., in place of L. H. Rector, retired.

Myrtle M. Lewis, Pipe Creek, Tex. Office became Presidential July 1, 1947.

Nell Agnes Shull, Progreso, Tex. Office became Presidential July 1, 1947.

Lewis A. Botard, Sheridan, Tex. Office became Presidential July 1, 1947.

Eva C. Shepherd, Sullivan City, Tex. Office became Presidential July 1, 1947.

Donald M. Hackney, Sunset Heights, Tex., in place of A. I. Hackney, resigned.

## VERMONT

Iola M. Jobin, Ely, Vt., in place of I. T. Webster, resigned.

## VIRGINIA

Henrietta G. Montgomery, Denbigh, Va., in place of M. P. Walker, resigned.

Daniel William Moffett, Warrenton, Va., in place of T. E. Frank, retired.

Thomas S. Hawkes, Jr., Wellsville, Va., in place of T. S. Hawkes, deceased.

## WASHINGTON

Virgel M. Newman, Kingston, Wash., in place of M. R. Joyce, resigned.

## WEST VIRGINIA

Brady F. Randolph, Sutton, W. Va., in place of Ben Gillespie, deceased.

## WISCONSIN

Florence D. Cychosz, Headford Junction, Wis. Office became Presidential July 1, 1947.

Joseph W. Szymanski, Marathon, Wis., in place of Henry Stanke, resigned.





agencies on notice that the appropriations for the fiscal year 1948--as for any other year--are intended to cover earnings for all the workdays occurring in that year. No deficiency estimates will be considered in future years to cover earnings for workdays carried over from prior years."

Foreign relief. "This committee and Congress have more than shown a desire to extend the hand of fellowship to peoples of the world, but it must be remembered that there is a limit to the resources of this country and the governments of the other countries must not expect that relief from the United States is limitless. Ways must be found for the peoples of other lands to become self-supporting."

Employees' loyalty. "The committee has not acted on the matter in this bill inasmuch as there is now pending in Congress a bill on this subject which, when enacted, will be in substitution for the program as outlined by the President's Executive order. It was felt that considerable revisions would probably be made in several of the items in the estimate, the exact details of which will have to be determined after the final enactment of the pending bill."

Lend-lease. "The committee feels that the various departments concerned should have the settlement of this program, and the accounts involved, much nearer completion than appears to be the case. There is no justification for allowing it to drag out for several years as could easily be done if Congress were willing to maintain a force to keep it going. The committee...wishes to urge on all the Departments...concerned the utmost necessity of winding up this program at the earliest possible date."

Foreign relief. "The committee has made this reduction because, of the requirements that were estimated to be needed, this amount represented the sum intended to go to certain countries which have not shown a disposition to comply with the requirements of the act authorizing the appropriation."

"The committee was not at all favorably impressed by some of the programs carried on overseas, particularly those which involve the so-called cultural program."

Foot-and-mouth disease. "The Committee...is convinced of the absolute necessity of eradicating this disease before it reaches our own country and is willing to make every necessary provision for that purpose. However,...the committee is unwilling to make additional appropriations of considerable sums on the basis of the varying estimates of cost... The committee...looks to the Secretary to see that the job is done as rapidly as possible at a minimum cost!"

Sugar rationing. "It is hoped that the program will be ended at the earliest possible date."

Bureau of Federal Supply. "The committee has denied a request...for the so-called Federal cataloging system. It appears that the various agencies...are not working along properly coordinated lines in planning this program and the committee is therefore rejecting this request. It would seem more appropriate, if the Departments expect to obtain congressional approval, that they get together and lay out a plan upon which all are in reasonable agreement and present it to Congress at some future date with a definite showing of advantages and economies expected to accrue... A request was made for an additional \$2,000,000 to augment the general supply fund. The committee has denied this request and would suggest to the Bureau of Federal Supply that it is probably keeping too large an inventory at the present time and could make considerably more money available if it would take steps to speed up its collections of money due from the various agencies to whom supplies are furnished." (Regarding the stockpiling item) "The committee cautions the Bureau of Federal Supply...and urges it to be particularly careful to see to it that the Government does not acquire perishable items unless there is substantial reason to believe that there is immediate need therefor...It is the wish of the committee that the authorities...proceed with the utmost caution and acquire this material at such

- a rate as not to cause any undue reaction in the market price."
3. WOOL-PRICE SUPPORTS. The Rules Committee reported a resolution for consideration of S. 1498, the wool bill (p. 9488).
4. CROP INSURANCE. The Rules Committee reported a resolution for consideration of H. R. 3465, to place the crop-insurance program on an experimental basis (p. 9488).
5. TAXATION. Passed H. R. 3950, the tax-reduction bill, over the President's veto by a 299-108 vote (pp. 9467-70). The Senate later sustained the veto by a 57-36 vote, which was short of the 2/3 requirement (pp. 9425-48).
6. FARM PRODUCTION. Rep. Miller, Nebr., inserted a Sidney (Nebr.) Telegraph editorial, "Gas scarcity looms as harvest threat" (pp. 9458-9).
7. HOUSING INVESTIGATION. The Rules Committee reported a resolution (H. Con. Res. 104, H. Rept. 997) to establish a Joint Committee on Housing to investigate the housing situation (pp. 9437-8).
8. FOREIGN RELIEF. The Rules Committee reported resolutions to provide for a Select Committee on Foreign Aid and to authorize the Foreign Affairs Committee to investigate foreign-relief needs (p. 9488).
9. RFC APPROPRIATIONS. Passed without amendment H. R. 4268, which includes 1948 funds for RFC (pp. 9503-4).
10. PLANT QUARANTINE. In reporting S. 338 (see Digest 135), regarding nursery-stock imports, the Agriculture Committee struck out the provision regarding bulbs and the phrase "for propagation purposes."

SENATE - July 18

11. WAR POWERS. Agreed to the House amendments to S. J. Res. 123, terminating certain war and emergency powers (pp. 9404-5). This measure will now be sent to the President.

Among the House amendments were deletion of the provision repealing ODT powers.

Other provisions of the measure, as finally passed, of interest to this Department are as follows:

<u>Item</u>	<u>Committee Comment</u>
a. Authority of the Secretary of Agriculture to inspect meat-packing establishments engaged only in intrastate commerce, until 6 months after the war.	Operations already have been ended.
b. Expenditures up to \$1,000,000 a year authorized for forest-fire control, without matching of funds, during the emergency.	No appropriations were made for the fiscal years 1947 or 1948.
c. Authority for the Secretary of Agriculture to encourage expansion of production of nonbasic agricultural	Would not relieve the Department of necessity for maintaining a price through Dec. 31, 1948, for producers

CONSIDERATION OF H. R. 3465

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JULY 18, 1947.—Referred to the House Calendar and ordered to be printed

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Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 314]

The Committee on Rules, having had under consideration House Resolution 314, report the same to the House with the recommendation that the resolution do pass.





# House Calendar No. 143

80<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. RES. 314

[Report No. 1000]

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## IN THE HOUSE OF REPRESENTATIVES

JULY 18, 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That immediately upon the adoption of this  
2 resolution it shall be in order to move that the House resolve  
3 itself into the Committee of the Whole House on the State  
4 of the Union for the consideration of the bill (H. R. 3465)  
5 to amend the Federal Crop Insurance Act. That after  
6 general debate, which shall be confined to the bill and con-  
7 tinue not to exceed one hour, to be equally divided and con-  
8 trolled by the chairman and ranking minority member of  
9 the Committee on Agriculture, the bill shall be read for  
10 amendment under the five-minute rule. At the conclusion  
11 of the consideration of the bill for amendment, the Committee  
12 shall rise and report the bill to the House with such amend-

80TH CONGRESS  
1ST SESSION  
**H. RES. 314**

[Report No. 1000]

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## RESOLUTION

Providing for the consideration of the bill  
(H. R. 3465) to amend the Federal Crop  
Insurance Act.

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By Mr. ALLEN of Illinois

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JULY 18, 1947

Referred to the House Calendar and ordered to be  
printed

ments as may have been adopted and the previous question  
shall be considered as ordered on the bill and amendments  
thereto to final passage without intervening motion except  
one motion to recommit.

Elsaesser  
Elston  
Engel, Mich.  
Fallon  
Fellows  
Fenton  
Fletcher  
Foote  
Fulton  
Gamble  
Gavin  
Gearhart  
Gillette  
Gillie  
Goff  
Goodwin  
Graham  
Grant, Ind.  
Griffiths  
Gross  
Gwynn, N. Y.  
Hale  
Hall,  
Leonard W.  
Halleck  
Harness, Ind.  
Herter  
Heselton  
Hess  
Hill  
Hinshaw  
Hoffman  
Holmes  
Horan  
Howell  
Jackson, Calif.  
Javits  
Jenison  
Jenkins, Ohio  
Jenkins, Pa.  
Jennings  
Jensen  
Johnson, Calif.  
Johnson, Ill.  
Johnson, Ind.  
Jones, Ohio  
Jones, Wash.  
Jonckman  
Judd  
Kean  
Kearns  
Keating  
Keefe

## NAYS—171

Abernethy  
Albert  
Allen, La.  
Andrews, Ala.  
Barden  
Bates, Ky.  
Battle  
Beckworth  
Bell  
Blatnik  
Bloom  
Boggs, La.  
Brooks  
Brown, Ga.  
Bryson  
Buchanan  
Bulwinkle  
Burleson  
Byrne, N. Y.  
Camp  
Cannon  
Carroll  
Cheif  
Clark  
Colmer  
Combs  
Cooley  
Cooper  
Courtney  
Cox  
Cravens  
Crosser  
Cunningham  
Davis, Ga.  
Davis, Tenn.  
Dawson, Ill.  
Deane  
Delaney  
Dingell  
Dolliver  
Domeneaux  
Donohue  
Dorn  
Doughton  
Douglas  
Drewry  
Durham  
Eberhardt  
Elliott  
Engle, Calif.

Kersten, Wis.  
Kilburn  
Knutson  
Kunkel  
Landis  
Latham  
LeFevre  
Lesinski  
Lewis  
Lodge  
Love  
McConnell  
McCown  
McDonough  
McDowell  
McGarvey  
McGregor  
McMahon  
McMillen, Ill.  
Mack  
MacKinnon  
Macy  
Maloney  
Mason  
Mathews  
Meade, Ky.  
Meade, Md.  
Merrow  
Meyer  
Michener  
Miller, Conn.  
Miller, Md.  
Miller, Nebr.  
Horan  
Howell  
Jackson, Calif.  
Javits  
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Jenkins, Ohio  
Jenkins, Pa.  
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Johnson, Calif.  
Johnson, Ill.  
Johnson, Ind.  
Jones, Ohio  
Jones, Wash.  
Jonckman  
Judd  
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Kearns  
Keating  
Keefe

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Knutson  
Kunkel  
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McDonough  
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Johnson, Calif.  
Johnson, Ill.  
Johnson, Ind.  
Jones, Ohio  
Jones, Wash.  
Jonckman  
Judd  
Kean  
Kearns  
Keating  
Keefe

Reeves  
Rich  
Riehman  
Robson  
Rockwell  
Rogers, Mass.  
Rohrbough  
Ross  
Russell  
Sadlak  
St. George  
Sanborn  
Sarbacher  
Schwabe, Okla.  
Scoblick  
Scott, Hardle  
Scott,  
Hugh D., Jr.  
Scrivner  
Seely-Brown  
Shafer  
Short  
Simpson, Pa.  
Smith, Kans.  
Smith, Maine  
Smith, Wis.  
Snyder  
Springer  
Stanley  
Stefan  
Stevenson  
Stockman  
Stratton  
Sundstrom  
Morton  
Muhlenberg  
Murray, Wis.  
Nixon  
Nodar  
Norblad  
O'Hara  
Owens  
Patterson  
Phillips, Calif.  
Phillips, Tenn.  
Ploeser  
Plumley  
Potts  
Poulson  
Ramey  
Reed, Ill.  
Reed, N. Y.  
Rees

Sikes  
Simpson, Ill.  
Smathers  
Smlth, Va.  
Somers  
Spence  
Stigler

Talle  
Teague  
Thomas, Tex.  
Trimble  
West  
Wheeler  
Whlten

Whittington  
Williams  
Wilson, Tex.  
Winstead  
Wood  
Worley  
Zimmerman

## NOT VOTING—41

Bennett, Mich.  
Bland  
Bonner  
Boykin  
Brown, Ohio  
Buckley  
Celler  
Chapman  
Clements  
Cole, Mo.  
Eaton  
Fuller  
Gallagher  
Glifford

Gwynne, Iowa  
Hall,  
Edwin Arthur Pfleifer  
Hartley  
Hays  
Hébert  
Heffernan  
Johnson, Tex.  
Kee  
Kelley  
Kirwan  
Ludlow  
Norrell  
Norton

O'Toole  
Patman  
Powell  
Rabin  
Riley  
Sabath  
Sheppard  
Smith, Ohio  
Thomas, N. J.  
Thomason  
Vinson  
Walter

So the motion was agreed to.  
The Clerk announced the following pairs:

## Additional general pairs:

Mr. Thomas of New Jersey with Mr. Walter.  
Mr. Hartley with Mr. Riley.  
Mr. Bennett of Michigan with Mr. Chapman.  
Mr. Gwynne of Iowa with Mr. Rivers.  
Mr. Martin of Iowa with Mr. Clements.  
Mr. Eaton with Mr. Hays.  
Mr. Gifford with Mr. Bonner.  
Mr. Smith of Ohio with Mr. Johnson of Texas.  
Mr. Edwin Arthur Hall with Mr. Vinson.  
Mr. Brown of Ohio with Mr. Kee.  
Mr. Gallagher with Mr. Bland.  
Mr. Cole of Missouri with Mr. Kirwan.  
Mr. Fuller with Mr. Boykin.

Mrs. ROGERS of Massachusetts and Mr. REED of Illinois changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

## JOINT COMMITTEE ON HOUSING

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Con. Res. 104, Rept. No. 997), which was referred to the House Calendar and ordered to be printed.

*Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Housing (hereafter referred to as the committee), and to be composed of seven Members of the Senate who are members of the Senate Committee on Banking and Currency to be appointed by the President pro tempore of the Senate, and seven Members of the House of Representatives who are members of the House of Representatives Committee on Banking and Currency to be appointed by the Speaker of the House of Representatives. A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall select a chairman and a vice chairman from among its members.*

Sec. 2. The committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation of the entire field of housing, including but not limited to—

(1) the extent of the need for housing in the United States as a whole and in all areas thereof;  
(2) the extent, if any, to which shortages in building materials are contributing to the shortage of housing;

(3) the reasons for the existing high costs of building materials and housing and the

action which may be taken to reduce such costs;

(4) all factors of whatever kind of nature which contribute to the existing high costs of housing and which prevent the speedy construction of adequate housing to satisfy the needs of the Nation and the action which may be taken to eliminate such factors;

(5) the extent to which archaic building codes and zoning laws contribute to the existing shortage and excessive cost of housing;

(6) the administration and operation of existing Federal laws relating to slum clearance, insurance of mortgages on housing, home loans, guarantees of veterans' housing loans, construction permits, veterans' preference in the renting and purchase of housing, rent control, and all other matters relating to housing;

(7) the availability of private capital and of Government loans to finance the construction of housing;

(8) the organization and operations of Federal, State, and municipal government agencies concerned with housing; and

(9) such other problems and subjects in the field of housing as the committee deems appropriate.

Sec. 3. The committee shall report to the Senate and the House of Representatives not later than March 15, 1948, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable.

Sec. 4. The committee shall have the power, without regard to the civil-service laws and the Classification Act of 1923, as amended, to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, including consultants who shall receive compensation at a rate not to exceed \$35 for each day actually spent by them in the work of the committee, together with their necessary travel and subsistence expenses. The committee is further authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government and may request the governments of the several States, representatives of business, industry, finance, and labor, and such other persons, agencies, organizations, and instrumentalities as it deems appropriate to attend its hearings and to give and present information, advice, and recommendations.

Sec. 5. The committee, or any subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer oaths, to take such testimony; to have such printing and binding done; and to make such expenditures as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per 100 words. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them.

Sec. 6. The members of the committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the committee, other than expenses in connection with meetings of the committee held in the District of Columbia during such times as the Congress is in session.

Sec. 7. The expenses of the committee, which shall not exceed \$100,000, shall be paid one-half from the contingent fund of the

Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of disbursements so made.

#### ~~SELECT COMMITTEE ON FOREIGN AID~~

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 296, Rept. No. 998); which was referred to the House Calendar and ordered to be printed:

Whereas the importance and complexity of aid required by foreign nations and peoples from the resources of the United States is assuming increasing proportions; and

Whereas such aid directly affects every segment of the domestic economy of the United States; and

Whereas the problems relating to such aid are of a nature to lie within the jurisdiction of a number of the standing committees of the Congress; and.

Whereas these problems should, in order to safeguard the resources and economy of the United States, be given the most careful consideration in relation to each other; and

Whereas an integrated and coordinated study should be most valuable to the standing committees of the Congress: Therefore be it

*Resolved*, That there is hereby created a select committee on foreign aid composed of 19 Members of the House of Representatives, who shall be appointed by the Speaker. The Speaker shall designate one of the members of the select committee as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to make a study of (1) actual and prospective needs of foreign nations and peoples, including those within United States military zones, both for relief in terms of food, clothing, and so forth, and of economic rehabilitation; (2) resources and facilities available to meet such needs within and without the continental United States; (3) existing or contemplated agencies, whether private, public, domestic, or international, qualified to deal with such needs; (4) any or all measures which might assist in assessing relative needs and in correlating such assistance as the United States can properly make without weakening its domestic economy.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) from time to time as it shall deem appropriate, but finally not later than March 1, 1948.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, either within or without the continental limits of the United States, whether or not the House is sitting, has recessed, or has adjourned, to employ such personnel, to borrow from Government departments and agencies such special assistants, to hold such hearings, and to take such testimony, as it deems necessary.

With the following committee amendment:

Page 3, line 4, after the word "adjourned," strike out the words "to employ such personnel, to borrow from Government departments and agencies such special assistants."

#### ~~COMMITTEE ON FOREIGN AFFAIRS~~

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 295, Rept.

No. 999), which was referred to the House Calendar and ordered to be printed:

Whereas the Committee on Foreign Affairs was established in 1822, and by the Legislative Reorganization Act of 1946 (1) has been given jurisdiction as a standing committee over relations of the United States with foreign nations generally, and (2) is charged to exercise continuous watchfulness over the execution by the Department of State and other agencies of the United States Government of the laws relating to the relations of the United States with foreign nations generally; and

Whereas the foreign policy of the United States today assumes new importance in the operations of the entire economic system of the United States and conditions the survival of free institutions both at home and abroad; and

Whereas the Committee on Foreign Affairs has, by its reorganization in conformity with the Legislative Reorganization Act of 1946, by setting up the appropriate staff and subcommittee organization to deal with the heavy new burden imposed upon it to make recommendations to the House of Representatives on policy issues affecting foreign affairs and on the necessary legislative action: Now, therefore, be it

*Resolved*, That the Committee on Foreign Affairs, acting as a whole or by subcommittees is authorized and directed to conduct studies and investigations of all matters coming within the jurisdiction of such committee.

Sec. 2. That in projects for studies of matters concerning the foreign affairs of the United States which in the judgment of the Committee on Foreign Affairs require investigations by it abroad, the committee is authorized to include the services and travel of the requisite staff and clerical help, to accompany subcommittees of the Committee on Foreign Affairs on such investigations, or study missions abroad.

Sec. 3. That in making such studies and investigations abroad, it shall be the duty of such subcommittees of the Committee on Foreign Affairs to keep current records and to make reports to the Committee on Foreign Affairs for appropriate legislative action, on the completion of any such mission, of the results of such studies and investigations, together with such recommendations as may be deemed desirable.

For the purposes of this resolution, the committee, or any subcommittees thereof, is authorized to hold such hearings, to sit and act during the present Congress at such times and places as the committee may determine, whether or not the House is in session, has recessed, or has adjourned, to require the attendance of such witnesses and the production of such books, papers, and documents by subpeona or otherwise, and to take testimony, as it deems necessary. Subpeonas may be issued under the signature of the chairman of the committee and shall be served by any person designated by such chairman. The chairman of the committee or any member thereof may administer oaths to witnesses.

#### AMENDING THE FEDERAL CROP INSURANCE ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 314, Rept. No. 1000); which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3465) to amend the Federal Crop Insurance Act. That after general debate, which shall be confined to the

bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### CONTINUING SUPPORT FOR WOOL

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 315, Rept. No. 1001), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1498) to provide support for wool, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendment as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### MINORITY VIEWS ON H. R. 29

Mr. PICKETT. Mr. Speaker, I ask unanimous consent that I be permitted to file minority views on the bill H. R. 29.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### DEFICIENCY APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to say that I have talked with the chairman of the Committee on Appropriations, and he has informed me that the deficiency appropriation bill is in order for consideration. It is of great importance. I think it is highly desirable that we act on it this evening, if at all possible.

I take this time to express the hope that we can proceed expeditiously with the consideration of the matter now before us, and then take up the deficiency bill and dispose of it yet this evening.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. CANNON. I am glad to have the distinguished majority leader take that position. An hour or two saved now will





HOUSE - July 25

12. WOOL PRICE SUPPORTS. Debated S. 1498, to provide for price supports on wool (pp. 10336-41).
13. CROP INSURANCE. Passed as reported S. 1326, to place the crop-insurance program on a limited, largely experimental, basis (pp. 10296-302). Reps. Hope, Andresen, Hill, Flanagan, and Cooley, and Sens. Aiken, Bushfield, Young, Ellender, and Stewart were appointed conferees (pp. 10302, 10401-2).
14. AGRICULTURE STUDIES. Agreed, without amendment, to H. Res. 317, to authorize the House Agriculture Committee to spend not over \$50,000 for the long-range farm-program studies authorized in H. Res. 298 (p. 10276). (The Congressional Record does not indicate whether this resolution was agreed to or not, but the "Daily Digest" states that it was agreed to.)
15. WEED KILLERS. Agreed, without amendment, to H. Res. 276, which requests the Secretary of Agriculture (1) to make known that 2,4-D can be used only with extreme caution, (2) to investigate and determine what crops it harms and how far the dust will carry and have harmful effects, (3) to determine whether existing supplies can be mixed with other chemicals in a preparation which will not be harmful to cotton, etc., and (4) to make known the results of these investigations (pp. 10288-9).
16. FOREIGN AFFAIRS. Passed with amendment H. R. 4168, to provide for reincorporation of the Institute of Inter-American Affairs (pp. 10303-4).  
Agreed, without amendment, to H. Res. 332, to provide for a select Committee on Foreign Aid to study the need for assistance to foreign countries (pp. 10277-8).  
Agreed, without amendment, to H. Res. 331, to provide for investigations of foreign-affairs matters by the Foreign Affairs Committee (p. 10277).
17. PUBLIC WORKS. Agreed, without amendment, to H. Res. 259, to provide for public-works investigations and surveys by the Public Works Committee (p. 10277).
18. INFORMATION. Agreed, without amendment, to H. Res. 333, providing for an investigation of Federal-agency propaganda and publicity activities, by the Expenditures in the Executive Departments Committee (p. 10278).
19. SURPLUS PROPERTY. Agreed, without amendment, to H. Res. 334, to authorize the Expenditures in the Executive Departments Committee to investigate surplus-property disposition (p. 10278).
20. ACCOUNTING. Passed as reported S. 1350, which authorizes GAO, if in concurrence of the department concerned, to relieve any disbursing or other accountable officer or agent or former disbursing or other accountable officer or agent of any department or agency charged with responsibility on account of physical loss or deficiency for any reason of Government funds, vouchers, checks, etc., if the department head determines that (1) the loss or deficiency occurred in the discharge of official duties or by reason of an act or omission by a subordinate and (2) without fault or negligence, but that this authority shall not include illegal or erroneous payments (p. 10286). The Senate later concurred in the House amendments (p. 10401). This bill will now be sent to the President.
21. FARM BANKRUPTCY. Passed without amendment H. R. 4326, to extend the Farm

Bankruptcy Act until Mar. 1, 1948 (p. 10287).

22. (Item cancelled)
23. PERSONNEL. Passed without amendment S. 1494, to amend the Veterans' Preference Act so as to make it mandatory for administrative officers to take corrective action recommended by the Civil Service Commission in cases of appeals of preference eligibles (p. 10288). This bill will now be sent to the President.
24. WATER POLLUTION. Passed without amendment S. 1418, granting Congress' consent to an interstate compact for water-pollution control in New England (pp. 10289-91). This bill will now be sent to the President.
25. FISHERIES. Concurred in the Senate amendment to H. R. 859, to provide for exploration, investigation, development, and maintenance of fishing resources, etc. (pp. 10293-4). This bill will now be sent to the President.
26. FOREST LANDS. Passed without amendment S. 1505, to direct the transfer to Boise, Idaho, of 9 lots of a 5-acre tract of land donated to the Government by Boise and now used by the Forest Service as a site for central repair shops (pp. 10304-5). This bill will now be sent to the President.
27. PHILIPPINE REHABILITATION. Passed as reported S. 1020, which makes various amendments to the Philippine Rehabilitation Act; including authority for the Philippine War Damage Commission to call on any department or agency of the U. S. Government for assistance (pp. 10315-21). Conferees were appointed in both Houses (pp. 10321, 10401).
28. WAR DEPARTMENT CIVIL APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 4002 (p. 10280).
29. COMMITTEE STAFFS. The Agriculture, Appropriations, Expenditures, Post Office and Civil Service, and other Committees submitted lists of the names and salaries of their employees (pp. 10357-63).
30. FCA AUDIT. Received from GAO the audit report on FCA corporations (H. Doc. 417) to Expenditures in the Executive Departments Committee (p. 10356).
31. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 4236, to remove certain discrimination with respect to appointment of persons with physical handicaps to civil-service positions (H. Rept. 1092) (p. 10356).
32. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments H. R. 221, to amend the Interstate Commerce Act regarding certain agreements among carriers (H. Rept. 1100) (p. 10357).
33. FLOOD CONTROL. Received the War Department's report on a flood-control survey of the Mo. River in N. Dak.; to Public Works Committee (p. 10356).
- BILLS INTRODUCED - July 25
34. RESEARCH. S. 1726, by Sen. Gurney, S. Dak., to amend the act relating to preventing publication of inventions in the national interest; to Judiciary

amount appropriated in this act in excess of 20 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and any such payment shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time and passed.

A similar House bill was laid on the table.

A motion to reconsider was laid on the table.

#### UTILIZATION OF SURPLUS WAR DEPARTMENT-OWNED MILITARY REAL PROPERTY AS NATIONAL CEMETERIES

**Mr. WELCH.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 272) to provide for the utilization of surplus War Department-owned military real property as national cemeteries, when feasible.

The Clerk read the title of the bill.

**The SPEAKER.** Is there objection to the request of the gentleman from California?

**Mr. RANKIN.** Mr. Speaker, reserving the right to object, I will withdraw my reservation of objection with the understanding that the amendments to be offered will apply to those two cemeteries only.

**The SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.*, That when the Secretary of War determines that there is need for an additional cemetery or cemeteries for the burial of members of the armed forces of the United States dying in the service or former members whose last discharge therefrom was honorable and certain other persons as provided for by existing law (24 U. S. C. 281), he is authorized to utilize, when practicable, federally owned lands under the jurisdiction of the War Department for military purposes and not needed for such purposes for the establishment thereon of a national cemetery or cemeteries.

**Sec. 2.** Upon the selection by the Secretary of War of such land, as provided in section 1 hereof, the Secretary of War is authorized and directed to establish thereon national cemeteries and to provide for the care and maintenance of such cemeteries. No national cemetery established pursuant to this act shall have an area in excess of 640 acres.

**Sec. 3.** The Secretary of War is authorized to prescribe such regulations as he may deem necessary for the administration of this act.

**Sec. 4.** There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry into effect the purposes of this act.

**Mr. WELCH.** Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WELCH:

Page 1, line 9, after the word "utilize", insert "and expand existing facilities at Fort Rosecrans, Calif., and Jefferson Barracks, Mo." and on page 1, line 9, after the word "practicable", insert "through the use of."

On page 2, line 5, after the word "to", strike out the words "establish thereon" and insert the words "expand existing" and on page 2, line 7, after the word "maintenance", strike out the words "of such cemeteries" and insert the word "thereof."

On page 2, line 7, after the word "cemetery", strike out word "established" and insert words "as expanded."

**Mr. RANKIN.** Mr. Speaker, I would like to be heard on the amendments.

**Mr. Speaker,** I think I should explain to the House the reason for my attitude on this measure.

The War Department recently issued an order forbidding race segregation in our National Cemeteries.

That simply means the closing of the national cemeteries to the white boys of the Southern States and a large portion of the rest of the country. The white boys of the south will hereafter be buried in the local cemeteries.

For that reason I am not willing to have this program expanded throughout the entire country. I agreed to withdraw my objection with the understanding that the gentleman from California would offer this amendment limiting it to the western cemeteries.

**The SPEAKER.** The question is on the amendment offered by the gentleman from California [Mr. WELCH].

The amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

**Mr. RICH** asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

**Mr. FLETCHER.** Mr. Speaker, I ask unanimous consent to extend at this point in the RECORD four telegrams.

**The SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

**Mr. FLETCHER.** The telegrams referred to are as follows:

SAN DIEGO, CALIF., July 22, 1947.  
Hon. CHARLES K. FLETCHER,  
House of Representatives,  
Washington, D. C.:

Report just received. All grave space for veterans' purposes at national cemetery, Fort Rosecrans, has been used. Urgently request expedite action allocation additional ground for graves. Notwithstanding reallocation of overseas war dead need is immediate as veterans of San Diego County are dying now.

B. G. HAMBLIN,  
Executive Secretary,  
San Diego County Council of Veterans.

SAN DIEGO, CALIF., July 22, 1947.  
Hon. CHARLES K. FLETCHER,  
Congressman:

No more graves in Rosecrans. Bodies waiting burial in private cemeteries. Immediate action requested.

WALTER J. PARKER.

SAN DIEGO, CALIF., July 23, 1947.  
Hon. CHARLES K. FLETCHER,  
House of Representatives:

Rosecrans cemetery situation critical. Urge passage your bill this session.

SAN DIEGO CHAMBER OF COMMERCE.

SAN DIEGO, CALIF., July 22, 1947.  
Hon. CHARLES K. FLETCHER,  
Member of Congress,  
House Office Building,  
Washington, D. C.:

Fort Rosecrans National Cemetery closed today. San Diego situation critical. Veterans awaiting burial. Request immediate action on development of additional acreage.

R. J. COSGRIFF,  
Service Officer, Chapter No. 2,  
Disabled American Veterans.

#### AMERICAN BATTLE MONUMENTS COMMISSION

**Mr. ANDREWS** of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 3394, "An act to amend the act entitled 'An act to provide for the evacuation and return of the remains of certain persons who died and are buried outside the continental limits of the United States,' approved May 16, 1946, in order to provide for the shipment of the remains of World War II dead to the homeland of the deceased or of next of kin, to provide for the disposition of group and mass burials, to provide for the burial of unknown American World War II dead in United States military cemeteries to be established overseas, to authorize the Secretary of War to acquire land overseas and to establish United States military cemeteries thereon, and for other purposes," do pass with the following Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 17, after "War", insert ", except as expressly reserved to the American Battle Monuments Commission by section 9 of this act."

Page 5, after line 16, insert:

"SEC. 9. The American Battle Monuments Commission shall be solely responsible for the permanent design and construction of the cemeteries to be established in foreign countries under section 5 of this act and of all buildings, plantings, headstones, and other permanent improvements incidental thereto. The Secretary of War is authorized to undertake such temporary construction as will be necessary for the accomplishment of this act and to maintain such cemeteries in a suitable condition until such time as the functions of administration thereof shall pass to the American Battle Monuments Commission in accordance with section 12 of Public Law 456, Seventy-ninth Congress, or any other law."

**The SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### MEDICAL DEPARTMENT OF THE ARMY AND OF THE NAVY

**Mrs. SMITH** of Maine. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 3215, an act to revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes,

with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 11, after "Section", insert "the Sanitary Engineering Section."

Page 4, line 1, strike out all after "Surgeon" down to and including "promotion" in line 8 and insert "General, and each person appointed and commissioned an officer of the Medical Service Corps who at the time of appointment holds a degree of doctor of philosophy or comparable degree recognized by the Surgeon General in a science allied to medicine may, subject to regulations as prescribed by the Secretary of War, be credited at the time of appointment with an amount of service equal to 3 years."

Page 11, strike out all after line 17 over to and including line 11 on page 12 and insert:

"Hereafter the authorized strength of the Hospital Corps of the Navy shall equal 3½ percent of the authorized enlisted strength of the Navy and Marine Corps. The Secretary of the Navy is authorized, in his discretion, to establish such grades and ratings in the Hospital Corps as he may deem necessary in the proper administration of such corps: *Provided*, That enlisted men of other ratings in the Navy and in the Marine Corps shall be eligible for transfer to the Hospital Corps, and men of that corps to other ratings in the Navy and the Marine Corps."

Page 12, strike out all after line 13 down to and including line 17 and insert "The Secretary of the Navy may hereafter appoint as many warrant officers in the Hospital Corps, as may be deemed necessary, from the rating of chief petty officer or petty officer, first class, in the Hospital Corps: *Provided*, That no person shall be appointed."

The SPEAKER. Is there objection to the request of the gentlewoman from Maine?

Mr. BUCK. Mr. Speaker, reserving the right to object, may we have a brief explanation of this measure?

Mrs. SMITH of Maine. Mr. Speaker, H. R. 3215 passed the House unanimously some time ago. It went over to the Senate and was amended only for the purpose of bringing it in conformity with the provisions of the promotion bill recently acted upon.

In its consideration of H. R. 3215, the Senate Armed Services Committee adopted three amendments, one of which was proposed by the Army and the other two, by the Navy.

The sole purpose of the Army amendment is to bring the provisions of H. R. 3215 into conformity with the provisions of the promotion bill, H. R. 3830.

The Navy amendments go to title III of the bill and are made for the purpose of bringing the language of this bill into conformity with the present policy of the Bureau of Naval Personnel in determining the appropriate names to be applied to members in the Hospital Corps. The Bureau of Naval Personnel desires administrative flexibility in this regard and there appears to be no reason why the request should not be granted.

Another amendment approved by the Senate would add a "Sanitary engineer section". There is no objection to this. In fact testimony at the hearings indicated that other sections would be added as needed under the authority of this bill. In connection with the Senate committee

amendment, I would like to include correspondence in explanation.

H. R. 3215, "To revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes" is now on its way to the President for his signature.

The Navy Department writes me that the words "pharmacists" or "pharmacists' mates" will not be used in describing the titles of the grades and ratings in the Hospital Corps of the Navy.

NAVY DEPARTMENT,  
OFFICE OF THE JUDGE ADVOCATE GENERAL,  
Washington, D. C., July 12, 1947.

Hon. MARGARET CHASE SMITH,

Washington, D. C.

MY DEAR MRS. SMITH: Enclosed for your information is a copy of a letter which I have transmitted to Mr. George H. Frates, the Washington representative of the National Association of Retail Druggists, assuring him that the Navy Department will not continue to describe members of the Hospital Corps of the Navy as "pharmacists" or "pharmacists' mates" should the bill H. R. 3215 be enacted in the form in which it was reported to the Senate.

The Navy Department requested the Senate Committee on Armed Services to amend title III of the bill for reasons which do not go to the substance of the measure but for reasons which have only to do with its practical administration. These reasons are:

(a) There is a possibility of having no legal authority for membership in the Hospital Corps at all during the interim necessary to shift from one nomenclature to another.

(b) The most appropriate new names to be applied to the members of the Hospital Corps have not been determined.

(c) The names of other ratings in the Navy are not frozen by statute. Administrative flexibility in fixing such names is desirable. Had there been such flexibility in the case of pharmacists' mates, a change in the law would not be necessary at this time. The Secretary of the Navy could have made the change by administrative action.

Very respectfully,

IRA H. NUNN,  
Legislative Counsel.

NAVY DEPARTMENT,  
OFFICE OF THE JUDGE ADVOCATE GENERAL,  
Washington, D. C., July 12, 1947.

Mr. GEORGE H. FRATES,  
National Association of  
Retail Druggists,

Washington, D. C.

DEAR MR. FRATES: This letter is to confirm our telephone conversation of yesterday during which I assured you that, if and when the bill H. R. 3215, "To revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes" becomes law in the form in which it has been reported to the Senate, the Navy Department will not employ the words "pharmacist" or "pharmacists" in describing the titles of the grades and ratings in the Hospital Corps of the Navy. The Navy Department will, on the other hand, abandon the use of those terms for the purpose for which they are now employed as soon as practicable after any act of the Congress becomes law which alters the provisions of the act of August 29, 1916, as amended, so as to permit other phrasology to be used in designating the grades and ratings of the Hospital Corps of the Navy.

You will note that an amendment to title III of the bill, H. R. 3215, which was adopted by the Committee on Armed Services of the Senate at the request of the Navy Department will, if enacted, amend the act of August 29, 1916, as amended, so as to au-

thorize the Secretary of the Navy "to establish such grades and ratings in the Hospital Corps as he may deem necessary," thus providing adequate authority to abandon the present restrictive phraseology.

I am aware of the interest of the Honorable MARGARET CHASE SMITH and of the Honorable CARL T. DURHAM, both Members of the House of Representatives, in this matter and am sending a copy of this letter to each in order that they may be advised of the intentions of the Navy Department.

Sincerely yours,

IRA H. NUNN,  
Captain, USN,  
Legislative Counsel.

The SPEAKER. Is there objection to the request of the gentlewoman from Maine?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### CONVEYANCE TO STATE OF DELAWARE OF A PORTION OF PEA PATCH ISLAND

Mr. BOGGS of Delaware. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1480) authorizing the conveyance to the State of Delaware of a portion of Pea Patch Island.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

These was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc., That the Federal Works Administrator is hereby authorized and directed to convey by quitclaim deed to the State of Delaware all the right, title, and interest of the United States in and to Pea Patch Island, situated in the Delaware River, near Delaware City, Del., except that portion of the island lying northeastwardly of a straight line just northeastwardly from the northeast outside wall of the Fort Delaware moat and 80 feet northeastwardly at right angles from triangulation station "Torpedo" from a point in the southeasterly high-water line to a point in the northwesterly high-water line of the island, reserving to the United States a perpetual easement to construct and operate on the east fire-control station of the fort parapet a navigational light and fog signal with necessary appurtenances, and a perpetual easement to construct and maintain a submarine cable from the water on the southeasterly side of the island to the light and fog-signal apparatus.*

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### AMENDMENT OF FEDERAL CROP INSURANCE ACT

Mr. HOPE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1326) to amend the Federal Crop Insurance Act, with an amendment.

The Clerk read as follows:

*Be it enacted, etc., That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:*

"(a) Commencing with crops planted for harvest in 1948, for the purpose of determining the most practical plan, terms, and conditions of insurance for agricultural commodities, if sufficient actuarial data are available, as determined by the Board, to insure, or to reinsurance insurers of, producers of such

agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity. Such insurance shall be against loss of the insured commodity while in the field due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Any insurance offered against loss in yield shall not cover in excess of 75 percent of the recorded or appraised average yield of the commodity on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: *Provided*, That, if 75 percent of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum percentage so as more nearly to reflect the investment in the crop in such area. Insurance provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. In 1948 insurance shall be limited to not more than seven crops (including wheat, cotton, flax, corn, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity, except wheat, cotton, flax, corn, and tobacco, shall be limited to producers in not to exceed 20 counties. Insurance for wheat, corn, and cotton shall be limited to producers in not to exceed 50 counties, and for flax and tobacco to producers in not to exceed 25 counties, for each such commodity. Counties selected by the Board shall be representative of the several areas where the agricultural commodity insured is normally produced. Insurance shall not be provided in any county unless written applications therefor are filed covering at least 200 farms or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured."

SEC. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: "Provided, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of an average market price designated by the Board."

SEC. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out in the first sentence "however," and inserting in lieu thereof "That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid: *Provided further*."

SEC. 4. Section 502 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 502. It is the purpose of this title to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research

and experience helpful in devising and establishing such insurance."

SEC. 5. Nothing in this act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this act is hereby terminated at the end of the 1947 crop year.

SEC. 6. Subsection (d) of section 507 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the subsection and inserting a comma and the following: "except that employees or agencies responsible for administering this act in each county shall be selected and designated by the Corporation and shall be responsible directly to the Corporation without the intervention of any intermediate office or agency."

The SPEAKER. Is a second demanded?

Mr. HARNESS of Indiana. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HARNESS of Indiana. I am, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HOPE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is a bill to amend the Crop Insurance Act and to reduce the program to an experimental basis. My time is limited and I do not care to go into an extended discussion of the present crop-insurance program and the manner in which it has functioned. There has been much criticism of it, it has been badly administered, and there are certain features of the act which I think have made it impossible for it to function as a business proposition. I think everyone who has studied the matter, however, will agree that it is very important to the farmers of this country to give them crop insurance if a system of that kind can be worked out on a business basis. The farmer today is the only businessman who has no opportunity to carry insurance on his business operations.

The committee in reporting the present bill has not only reduced the scope of the coverage by providing that it shall be applicable only to certain crops and to a small number of counties on an experimental basis, but it has also amended the law in a number of particulars in such a way as to make Government crop insurance a businesslike proposition.

I think that if I were to name the principal thing which has made crop insurance a failure in the past I would say it was that the law we had before did not eliminate the moral risk. You cannot have any kind of an insurance program and have it operate successfully if it is more profitable to have a loss than it is not to have a loss. The way the crop-insurance program was set up and the way it has been administered in the past it was on many occasions more profitable to have a loss. That accounts, in my opinion, very largely for the failure of the present program. In this bill, we have gotten away from that situation by providing that at no time shall

a man's right to insurance exceed his investment in the crop. That does away, I think, with one of the principal causes of the difficulties that we have had in the past in connection with crop insurance.

In addition to that, we have changed the provision of the act which states the purpose so as to put it upon a more businesslike basis. In the original Crop Insurance Act, the language read as follows:

It is the purpose of this title to promote the national welfare by alleviating the economic distress caused by crop failure due to drought and other causes by maintaining the purchasing power of farmers and by providing for staple supplies of agricultural commodities for domestic consumption and the orderly flow thereof in interstate commerce.

That was interpreted and perhaps fairly interpreted by those administering the crop-insurance program as constituting a sort of relief program. That is the way it has been administered during most of the time that it has been in effect. The committee has substituted for that statement of purpose the following language:

It is the purpose of this title to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance.

If I had more time I could point out to you many ways in which the bill has been amended so as to provide for a businesslike administration of this program.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CHELF. What crops does this bill cover?

Mr. HOPE. This bill will cover to begin with, wheat, corn, cotton, tobacco, and flax.

Mr. CHELF. Has not your experience been that tobacco has carried its own weight?

Mr. HOPE. Tobacco has been in the experimental program. It has carried its own weight, as the gentleman says. In fact, all the experimental programs that have been tried have not resulted over-all in any losses.

Mr. HARRIS. Mr. Speaker, will the gentleman yield? Will the gentleman say what year this covers?

Mr. HOPE. It will go into effect for the crop year 1948.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. RICH. What do you mean that every one of these crops have carried themselves without loss?

Mr. HOPE. I meant that the premiums collected were sufficient to pay the losses.

Mr. RICH. And carry on the business and keep the capital stock?

The SPEAKER. The time of the gentleman has expired.

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. HARNESS of Indiana. Mr. Speaker, I yield myself 18 minutes, and I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARNESS of Indiana. Mr. Speaker, it is my privilege to report to the House very briefly today on the progress of the special committee on publicity and propaganda in the executive agencies, of which I have the honor to be chairman.

Our work has been moving along for 3 months. We have published two interim reports on particular phases of Government propaganda activities—one on the operations of the Public Health Service and the Social Security Board in behalf of socialized medicine in the United States; the other on the activities of the War Department in advocacy of universal military training. I present today only a summary of our work to date, and to acquaint the Members with some of our plans, as now outlined, for the investigations which are to be pressed during the recess.

Over a period of years there has been evident to the Members of this body a growing and sometimes disturbing tendency in the executive branch, to discount or discredit the Members and the legislative actions of the Congress of the United States. It has long been felt by some of us that this unwholesome development was not spontaneous with the people themselves, but grew out of an ever-increasing tendency on the part of the Federal agencies, with their tentacles reaching into practically every county and hamlet, to misuse the funds which have been appropriated to them, to propagandize the people to bring pressure upon Congress for the passage of specialized legislation to perpetuate jobs and ideologies.

Mr. Speaker, I have called attention of the House before, that during the New Deal there was built up in the Federal agencies the highest-priced publicity staff in the world. I said recently it was estimated this Federal publicity organization cost the taxpayers \$75,000,000 a year. Today, I want to tell you, on the basis of investigations by the Subcommittee on Publicity and Propaganda, that \$75,000,000 will not approximate the amount being spent for publicity and propaganda by the Federal Government. No one can tell how high the figure goes. No one can tell—for the simple reason that practically every person on the Federal pay roll seems to consider himself an authorized lobbyist—authorized to lobby on Government time—that means the taxpayer's money—for the particular project in which he is interested.

Some of the Federal employees who have been identified in their use of Government time and materials and the Government franking privilege to influence legislation, have indicated surprise that anyone would think they were doing anything wrong. In fact, some of them seemed to conceive it their job to stir up the people with their one-sided propaganda activities, to mislead the people

in an effort to get their projects approved by Congress.

One of the most insidious aspects of this type of activity is that when these people go out or write out, propagandizing the people, they presume to speak as Federal officials with the authority of the Federal Government back of them.

Here is the Federal Government speaking against the Federal Congress, or rather—and here is where the propaganda machine is very clever indeed—against an individual or individuals in Congress.

For too many years now the Federal agencies have been led to regard Congress as a rubber stamp to do their every bidding; as a whipping boy to be pounced upon by its publicists and its organized propaganda campaigns, whenever Congress elects to exercise its appointed legislative functions.

Mr. Speaker, that sort of activity must stop.

Because of obvious and flagrant abuses the House of Representatives on May 1 established the Subcommittee on Publicity and Propaganda to investigate such activities on the part of the Federal agencies and their employees.

Although this committee has a very small staff and has been operating only a very short time, it has revealed some shocking things. And preliminary investigations already under way indicate even more shocking disclosures to come.

A major exposure of this committee was the activities of several Federal agencies in attempting to bring pressure upon Congress for the approval of socialized medicine.

The committee found that employees of six agencies arranged a series of so-called health workshop meetings, at which the Federal employees posed as Federal consultants to give the delegates factual information on health questions which might arise at the meetings. Actually, the evidence revealed, the sole purpose of the Federal employees in arranging and attending these meetings was to influence the delegates in favor of socialized medicine.

The manner in which the War Department has been attempting to sell universal military training to the people of this country has also come under consideration by the committee. The committee found that civilians were employed by the Secretary of War for the primary purpose of selling important groups on compulsory military training. In testimony before the committee the Assistant Secretary of War, Howard C. Peterson, testified that the purpose of employing these civilians was "to sell the program to the public, with the hope that the public will sell it to the Congress."

Your subcommittee has received a number of complaints with respect to the activities of county AAA committeemen in propagandizing against reductions in appropriations for the Department of Agriculture.

In Nebraska, for example, the campaign appears to have been organized and conducted from the State headquarters level, where a form letter was drafted in a meeting of key officials as "suggested material" for the county committeemen. This suggested material

was then carried to the county men by the farmer fieldmen in the State.

Evidence at hand indicates the result was a flood of the most brazen propaganda to farm cooperators throughout the State.

After detailing the cuts, a typical letter states:

If this action is sustained by the Senate, when they vote on this measure in the near future, it will mean that you as well as all other farmers owning or operating land cannot be paid the full amount of money appearing on the farm plan you may have signed in which you indicated practices to be performed during 1947.

The price-support program will, of course, be curtailed if money for that purpose is not made available, as well as the much-needed soil-erosion control, weed eradication, and farm drainage, the need of which the recent heavy rains have reminded us all very vividly.

The recent congressional action not only affects the immediate status of agriculture, but may eventually result in economic disaster of agriculture and the Nation in the years ahead.

I want to repeat that. Just listen to this, Mr. Speaker—listen to what these people on the Federal pay roll, using Government time and materials, and using the Government frank to send out their propaganda—listen to what they have to say about the attempt of your Appropriations Committee to shave a little money from the Department of Agriculture. I quote again:

The recent congressional action not only affects the immediate status of agriculture, but may eventually result in economic disaster of agriculture and the Nation in the years ahead.

Does anyone wonder if Congress has slipped in the estimation of the public when the public receives such statements as that from Federal officials, going out under the Government frank under the guise of official Government business.

But that isn't all. That is by no means all. In fact, it gets worse as it goes on. Listen to this, and I continue to quote:

If price stabilization is denied farmers and no provision is made to protect the land against the damages caused by the elements, history will repeat itself and economic disaster can be the only final result to farmers, business, and labor. Big capitalists and speculators who have inside and advance information may profit by depressions.

Gentlemen, I assure you neither this body nor the Department of Agriculture has heard the last of that. I have told you some of the things our preliminary investigation has revealed. We do not intend to drop it there.

In addition to these investigations, others are under way which I will not mention at this time, but which you will hear more about from time to time as our work moves on.

However, I do want to say that our entire committee staff has been instructed to keep a close watch on the propaganda of the State Department in favor of the so-called Marshall plan for the rehabilitation of Europe. We have been advised on good authority that the Department has a well-organized plan to "sell" the Marshall plan to the people during the congressional recess. It is the conception of the State Department at this moment that both the Congress

and the public must be educated to a fuller appreciation of what is involved in the Marshall plan. We all agree, of course, that the people are entitled to full knowledge of the Government's foreign policy. But we insist nevertheless that it is not the duty of the Department of State, nor any other executive agency, to tell the people what they ought to think on these grave matters. That's the essential difference between government publicity and Government propaganda. Enlightenment is a proper function; compelling propaganda, such as uses the devices of radio and motion pictures, leaflets, bulletins, pamphlets, and such, is not only disapproved by the conscience of representative government, but is positively unlawful.

It has become apparent to your committee that Government propaganda is designed, in most instances, to make the individual believe he is thinking for himself. In reality, Government propaganda distorts facts, with such authority that the person becomes prejudiced or biased in the direction which the Government propagandists wish to lead national thinking. It is the authority and the supposed objectivity of Government which leads people to accept, without question, the words released by Government officials and agencies. Propaganda in its crudest form appeals to emotion only. Government propaganda is frequently only slanted, but accomplishes the same result. An individual might be wary and critical of material coming from a special interest group. He knows such groups have an ax to grind, but he will consider as Gospel truth, if the Government says the identical thing, because he thinks Government officials are impartial.

I have told this body before that in 1 week we measured the total output of the Federal publicity bureaus. The volume of material made about 800 columns of newsprint—more than might have been printed in the average daily paper in 1 week if nothing had been allowed for advertising, cartoons, and editorials.

Mr. Speaker, if we are to have a representative form of government with the Congress making the laws, this sort of thing must be stopped. Otherwise, the Congress will become in truth a rubber stamp to carry out the whims and vagaries of the undercover propagandists in the Federal agencies.

I for one do not propose to see that happen. Your committee does not propose to see that happen. And I pledge you here and now that the Committee on Publicity and Propaganda will continue its efforts to expose this sort of thing wherever it exists, regardless of the agencies or personalities involved.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from North Carolina.

Mr. COOLEY. Who was the author of the communication the gentleman has just quoted from?

Mr. HARNESS of Indiana. I have not the letter with me. I have it in my office.

Mr. COOLEY. The gentleman stated it was a Government official.

Mr. HARNESS of Indiana. Yes.

Mr. COOLEY. If that is true, the letter indicates that there might be a violation of existing law. My recollection is we have a law which makes it unlawful for a Government official or for a person on the Government pay roll to use the services and the time of the Government in propaganda activities.

Mr. HARNESS of Indiana. Yes. That is section 201, title XVIII of the Criminal Code.

Mr. COOLEY. I am wondering if the gentleman may not be mistaken and if that might not have originated with some farm organization.

Mr. HARNESS of Indiana. No. That originated in the agricultural office in the State of Nebraska. The committee sent an investigator out there who personally investigated and brought back the facts.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Nebraska.

Mr. CURTIS. The gentleman has made reference to certain letters that were sent around the State of Nebraska. In all fairness it should be said that no doubt there were some farmers and AAA field men who were drawn into something they did not realize was unlawful. I believe I know where those things originated. The Democratic State chairman sent out a telegram to each county containing information that was inaccurate and suggested that they start a propaganda campaign.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. HOPE. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, we are presently considering a bill to carry on Federal-crop insurance on an experimental basis. Speaking wholly for myself, I should like to liquidate the program. I am not unmindful of the fact, however, it would be impossible to secure conclusive action in both sides on such a program at this time; consequently I trust that the present bill will be passed and that it can be enacted into law because it will be the only limitation we have on the crop-insurance program.

Now, in this season of the year when baseball is at its zenith you often hear men accost each other and ask "What is the score?" You will be interested in the score on crop insurance as it was disclosed to my subcommittee after extensive hearings. I divided it into two parts, the first part which began with the enactment of so-called crop insurance in June 1938, the second period beginning in 1944.

In the first period we had 5 full crop years when wheat was insured. We had 2 full years of insurance on the cotton crop. The loss on wheat was \$26,312,000; the loss on cotton was \$11,562,000. The administrative expense for that period was \$28,000,000. So, from the first period from 1938 to 1944 the score on crop insurance was a loss to the Federal

Treasury, including administrative expenses, of \$66,000,000.

At that time crop insurance was liquidated partly through a modest effort of my own and then was restored in the Senate, so we started once more. We started then on wheat and cotton and in an experimental way on tobacco, flax, and corn. On the latter crops we insured some 16 counties. Here is the score for period No. 2. We make a modest profit of \$6,000,000 on wheat. We took a loss of \$57,000,000 on cotton. Most of that came in one single crop year because the farmers had outguessed the Crop Insurance Corporation. The administrative expense for that period was \$9,000,000. The loss, therefore, was a net \$60,000,000; \$66,000,000 plus \$60,000,000 means a loss of \$126,000,000. It reminds me of the echoes that come back from the discussion on crop insurance on this floor in 1938 when it was said, "Let us try it out; let us make this venture; we are sure that a capital stock of \$100,000,000 will be sufficient to carry out all of the experimental stage and put it on good grounds." I have lived in my young life to see the day when the entire corporate stock of the crop-insurance program has been liquidated, and in addition thereto there has been an expenditure of \$48,000,000 for administrative expenses.

Now, there are some oddities that have developed. For instance, in five States last year the expense of writing the business exceeded all of the premiums that we got. The field expense ranged from \$4.79 to \$20.78 per contract. No insurance company in the world could stay in business on that basis. I give you a typical example.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. HOPE. Mr. Speaker, I yield the gentleman one additional minute.

Mr. DIRKSEN. In the State of Georgia the premiums were \$200,000 plus and the expenses of doing business were \$157,000. We cannot get crop insurance liquidated now, so I suggest to you that at least we adopt a limitation on the program, and the bill before you will place it on an experimental basis, namely, about 20 counties, for most of these crops.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I understand, the appropriation bill contained a continuity for the experimental program.

Mr. DIRKSEN. The appropriation bill contained language setting a limitation similar to that carried in the Aiken bill in the Senate.

Mr. AUGUST H. ANDRESEN. If this bill does not become law, will the experimental program continue or will it be stopped?

Mr. DIRKSEN. No; the program will continue, but on a larger scale than is contemplated in the existing bill, and that is the reason I hope that the present bill will be enacted.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. It would seem that any ordinary business concern would do its experimental work first, and thereafter enlarge. We are doing it backward.

Mr. DIRKSEN. I will say to my good friend from Pennsylvania that the affairs of government are not always ordinary.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. HARNESS of Indiana. Mr. Speaker, I yield 1 minute to the gentleman from New York, Mr. Rooney.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, the action taken earlier this week by the conferees on the Interior Department appropriation bill—which is now at the White House—is a signal victory for the people of the Southwest insofar as the item for Southwestern Power Administration is concerned. The unanimous decision of the conferees guarantees that Norfork and Denison dams will be tied together as they should by a transmission line, and insures the construction of a substation to be built at Waleetka, Okla., at a cost of \$500,000. Thus the people's dams will remain the properties of the people—not the properties of the private utilities and their powerful lobby.

The unexpended funds appropriated for the fiscal year 1947 are continued available during the fiscal year 1948 and whether work has been physically started before June 30, 1947 or not, are made available for the construction of necessary interconnecting facilities incident to and connected with the construction of the Denison-Norfork transmission line. Thus the competent administrator of Southwestern Power Administration, Douglas Wright, has sufficient moneys to carry on his commendable work for the people of the Southwest in the fiscal year 1948 and to cause electricity to be brought to many more of the farms of that portion of our great country.

Mr. HARNESS of Indiana. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I have tried to follow this crop-insurance program for the last 3 or 4 years. You heard the statement made by the gentleman from Illinois [Mr. DIRKSEN] that up until 1943 we squandered \$66,280,000 on this program. At that time we had given them only \$30,000,000 of capital stock. Then they asked for an appropriation for \$40,000,000 more. At that time, because of the record they had made, I objected very strenuously to granting any more money to this organization. I not only fought that bill when it was on the floor of the House, but after the bill was passed I made up my mind that I would try my best as a Member of Congress to follow it through, and if possible make it successful, and stop the waste of Government funds. I wrote a letter to Mar-

vin Jones, who was then War Food Administrator, and gave him my ideas on how that ought to be operated, and suggested he keep his eye on this organization. He replied that if it later did not prove out more satisfactorily than it had in the beginning, he would do his utmost to see that it was discontinued.

I then wrote a letter to Mr. Wright, who was then chairman of this corporation, and asked him the names of the people whom he would propose to operate it and their responsibility and experience in business. Mr. Wright gave me a reply, and also came to my office several times and discussed the Federal crop insurance program with me. At that time he said he was having some men come from Chicago to try to assist them in making this plan work. That was in 1944.

Since that time they have lost every dollar that has been put into this program, every dollar of the capital stock, which amounted to \$100,000,000. They spent over \$50,000,000 in administration of the program. They made a profit of \$8,000,000 on wheat and they lost that. All the premiums they received during the time crop insurance was in effect, and I do not know how many millions of dollars that was, have been lost. It continually lost, lost, lost. It is one of the most colossal instances of poor legislation and poor business I have ever known or had ever experienced. So I came to the conclusion that I would do everything I could to see that the Federal crop insurance was put out of business. I have not had any success in putting it out of business, because the Committee on Agriculture now comes in with this bill to carry insurance for crops on as an experiment. As was said a while ago, we are experimenting at the wrong end of this organization. It should have had its experimentation way back in 1939. But you are not through with this yet. It will be a great loss, I feel sure, as long as you go.

I asked the chairman of the Committee on Agriculture whether, if this experiment did not prove out successfully in 2 years; he would use his influence to close it up. He and other members of the Committee on Agriculture said if they could not make a successful venture out of it in 2 years it ought to be closed up. I hope they are going to carry that out.

This situation has been dreadfully bad. To think that we had a man in there for 3 or 4 years who squandered all this money. I went to see the Secretary of Agriculture, Mr. Anderson, just recently. I asked him where Mr. Wright was. He said, "He is not here now. There is somebody else who is going to have charge of this Federal crop insurance program." So I tried to find out where Mr. Wright was and I had quite a time locating him. I thought there was something wrong, so I sent for Mr. Wright. I located him down here in Alexandria. Finally, I got him in the office. I found out, but I did not find out from him, that Mr. Anderson showed him the gate and told him to get out. Well, Mr. Anderson did a good thing when he showed Mr. Wright the gate because anybody who

could see a corporation run for this length of time and the great losses, ought to get the gate. Crop insurance as administered was inefficient, poor judgment, poor management, and it was not insurance but dishonest business as operated.

I hope you will vote for this resolution as bad as it is. We will have to take it and think it is a good thing just because it will stop the business as previously operated and certainly this bill will not be as bad as previously conducted. I shall vote for this improvement but if I could vote to eliminate the Federal Crop Insurance program altogether I would do so.

Mr. HOPE. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. MURRAY].

Mr. HARNESS of Indiana. Mr. Speaker, I yield the time I have to the gentleman from Wisconsin [Mr. MURRAY].

The SPEAKER. The gentleman from Wisconsin is recognized for 2 minutes.

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Speaker, I do not know that there is anything I can add to the discussion of this legislation. Of course, I have followed it for the last 8 years. I do want to point out that there seems to be one crop that this insurance particularly applies to, and that crop is tobacco. A tobacco crop is just a little bit different from any other crop because of the fact that a man usually has only a very small acreage. His whole yearly earnings are wrapped up in half an acre, an acre, or a few acres of tobacco.

Following the reports through the years and with all the bad records that we have had here today, those statements do not apply to tobacco.

As to the others, that is water under the dam. There is no use rehashing that. We know it has been maladministered. I think everyone admits that. It is regrettable that this crop-insurance program, though started as a program ended up in the class of a racket. But I do think from the standpoint of tobacco, if we did not go any further than that, we should carry this on for at least another year or two to see if we cannot set up some yardstick so far as the tobacco insurance for tobacco is concerned.

This legislation under consideration today, if carefully administered, will determine whether national crop insurance should be a permanent policy or whether it should be discontinued once and for all.

(Mr. TIBBOTT asked and was given permission to extend his remarks in the RECORD and include a radio broadcast.)

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. SIKES addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Speaker, I yield such time as he desires to the gentleman from Colorado [Mr. HILL].

**Mr. HILL.** Mr. Speaker, H. R. 3465 is not new legislation. It is restrictive or a limitation on the present law as it is now written.

#### DIFFICULTIES WITH FEDERAL CROP INSURANCE

Contributing to the difficulties of this first Federal experiment in crop insurance was the background against which the legislation was enacted. The Nation had just passed through the disastrous drought years. Farmers in many parts of the country were reeling under the impact of the double blows of economic and natural disaster. They desperately needed assistance. The decision to undertake the writing of crop insurance on a Nation-wide scale, instead of on a limited experimental basis such as the course of prudence would have dictated, must be regarded as partially an effort to bring relief to farmers who were in critical need of it. As such, it served its purpose—and probably did so as equitably and at as little cost to the Federal Treasury as any other method would have done. But such a purpose was not conducive to the development of an actuarially sound system of insurance.

Inherent also in that crop insurance effort was the defect of its conception as part of the ever-normal granary. The commodities received as premium payments or purchased in the hedging operation, it was believed, would add to the supplies in the granary and contribute to the stabilization of agricultural prices—this apparently without realizing fully the cost of administering and storing such supplies and the effect the accumulated surpluses themselves would have in overriding and depressing the very market they were designed to support.

Against this background Federal crop insurance got under way with the wheat crop of 1939; and for five successive years the indemnities paid exceeded the premiums collected, despite the fact that some of the years were excellent wheat-crop years for the country as a whole. In 1942 insurance was offered on cotton, pursuant to an amendment to the act, and for 2 years losses were sustained on cotton insurance, despite two good cotton crops.

By 1943 agriculture was well into the era of high wartime prices, emergency relief measures were no longer necessary, and crop insurance was terminated with the 1943 crop. The losses on wheat had total \$26,312,000; on cotton, \$11,480,000, plus an administrative expenditure of \$28,488,000.

#### THE REINSTATED PROGRAM

There was still, however, the almost universal feeling that farmers are entitled to the stability resulting from insurance of their crops against losses from causes beyond their control, if such insurance could be developed on a sound basis—and that the brief period of semi-insurance, semi-relief activity from 1939 to 1943 had not given the program a fair trial. Accordingly, the decision to abandon the effort to develop crop insurance was reconsidered, and in December 1944 Congress reinstated the program. Some refinements and adjustments were made, in the light of the previous experience;

but, on the whole, the scope of the wheat and cotton programs were not changed, and flax was added as a commodity on which general insurance was to be offered. Corn and tobacco were included on limited to 20 representative counties for each community. The results of this second phase of operations is shown in the following table:

*Crop insurance—gain or loss from insurance operation, crop years 1945 and 1946*

	1945	1946 <sup>1</sup>
Wheat.....	+\$828,552.73	+\$5,446,536.71
Cotton.....	-15,243,622.30	-41,620,044.02
Flax.....	+574,191.57	-566,240.25
Corn:		
Yield.....	-284,991.86	-6,149.00
Investment.....	+24,801.29	+47,599.24
Tobacco.....	+148,949.02	+568,700.00

<sup>1</sup> Estimated.

NOTE.—Plus (+) indicates gain; minus (−) indicates loss.

With the exception of cotton, the results in terms of gain or loss during the past 2 years have not been too unsatisfactory. The losses on cotton, however, are not such as can be countenanced in a sound insurance program, and there is no present assurance that a similar situation will not develop with regard to wheat if the current cycle of exceptionally favorable wheat years should suddenly end. To put it briefly, the committee believes that the present crop-insurance program is, on the whole, neither sound insurance nor profitable experimentation.

#### DEVELOPMENT A LONG-TIME PROJECT

The committee believes it should be recognized that the development of a sound crop-insurance program covering even the major agricultural commodities on a Nation-wide basis is a long-time project that may well take years in its accomplishment. It has taken many years, the experience and intelligence of many individuals, and the investment and loss of millions of dollars to develop other forms of casualty insurance to the sound position they now occupy. In the course of that development, hundreds of insurance companies were formed and went bankrupt, hundreds of types of insurance were tried and found wanting, and millions of individual investors and policy holders ventured and lost their own money in the trial and error experiments which eventually contributed to the welfare of the Nation as a whole. In crop insurance, at least, those who could least afford it—the policyholders who thought they had purchased protection—have not been required to foot the whole bill for the national experiment.

If crop insurance is to succeed in the United States, it must fulfill two basic requirements: First. It must be sound from a business standpoint—capable of “paying its own way” and operating without loss to the Government; second. it must offer farmers a type of insurance they want and are willing and able to pay for.

#### FARMERS ENTITLED TO EXPERIMENTAL PROGRAM

The committee believes that it is possible eventually to write crop insurance that will meet both these basic qualifications. It does not believe that this can be accomplished overnight nor that it is

reasonable to expect that a half-dozen crop seasons of experience will achieve for crop insurance what it took other forms of commodity insurance many years of trial and error to develop. The committee is convinced, however, that the best interests of farmers themselves will be most truly served if the Public Treasury is protected against excessive loss, by curtailment of the insurance program during its development period to the smallest scale consistent with effective experimentation, and expanding it later only when experience has indicated that a sound insurance plan has been worked out.

The committee has, therefore, prepared this bill, H. R. 3465, placing the crop-insurance program on a strictly experimental basis and providing the Crop Insurance Corporation with the latitude of operation and the authority which it believes to be necessary to the carrying out of a truly experimental program. The details of the proposed program are explained in the analysis of the bill.

**Mr. HOPE.** Mr. Speaker, I yield the remaining time to the gentleman from Georgia [Mr. PACE].

**Mr. PACE.** Mr. Speaker, I do not know that much can be gained by trying to place responsibility for the losses on crop insurance in the past. I think an investigation would disclose that there are many different sources to blame.

I do want to express the hope that some way can be found to bring some degree of security to those people who provide the food and fiber to feed and clothe the Nation. I have said before and I would like to repeat now that it seems to me the people who work in the field, who work in the sun and produce the food to feed the remainder of the Nation are entitled to that same degree of security and protection as is now enjoyed by the people who eat that food. Is that not fundamental?

I hope that some way can be found out of this experiment whereby we can bring to the people on the farms some protection against the hazards they must bear today. I think that the pending bill will greatly improve the program.

I would like to refer briefly to some of the measures provided in this bill which should save the Government the enormous losses which have been mentioned here.

**Mr. MURDOCK.** Mr. Speaker, will the gentleman yield?

**Mr. PACE.** I yield briefly.

**Mr. MURDOCK.** I want to make this observation. The gentleman from Georgia now addressing us, as well as the distinguished chairman of the Committee on Agriculture, have both been energetic in taking every step for the welfare of the people who live and work on our farms.

**Mr. PACE.** I thank the gentleman.

**Mr. MURDOCK.** In regard to cotton insurance, does that extend to all varieties of cotton, long fiber as well as short?

**Mr. PACE.** It extends to all varieties and in all areas. When the experimental program is put into operation, the purpose will be to select a county here and a county there which, when selected, will be completely representa-

tive of the production of cotton throughout the Nation.

I would like to state some of the changes which are being made and which I think will prevent future losses.

This bill limits the farmer's recovery under his policy to not exceeding his investment. So no more can there be the possibility of a producer abandoning his crop and trying to make a profit on his insurance.

Secondly, it eliminates insurance in any county where there are not at least 200 farms, or one-third of the farmers under the program. This should eliminate a great deal of expense.

Third, and very important, for the first time we give the Board the right to refuse to write farmers on the basis of risk. Heretofore the Corporation was required to insure a crop, regardless of the reputation, the background, or the moral risk of the farmer. The Corporation states that this has contributed in good measure to its losses.

Fourth, and I think this is equally important, this bill gives the Corporation the right to hire and fire and direct its own employees. I know many of you will be surprised to learn that up to this time the Corporation did the insuring but another agency of the Department of Agriculture provided all of the employees to administer the program out in the field. The consequence has been to have a business organization trying to put the program on a business basis but with no authority to select its employees.

Lastly, and also important, heretofore and hereafter all premiums may be paid in the commodity; that is, if you insure a wheat crop, you can pay your premium in wheat. But to save itself from heavy losses due to changes in price the Corporation has been required to buy an amount of wheat equal to the premiums and keep it in storage. This has been very expensive. Under this bill the Corporation is authorized to establish premiums on the basis of the parity or comparable price for the commodity insured, or on the basis of an average market price, and then to determine indemnities on the same price basis as the premiums are determined. This should result in great savings and greatly improve the program.

I ask your approval of this bill, and I sincerely hope that through these experimental programs we can find sound means and methods of soon setting up a Nation-wide, all-commodity insurance program for the protection of our agricultural producers.

**Mr. KEFAUVER.** Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

**The SPEAKER.** Is there objection to the request of the gentleman from Tennessee?

There was no objection.

**Mr. KEFAUVER.** Mr. Speaker, I wish that this bill had been brought before the House under a rule which would enable more time for debate. This matter is an important one. The farmers of America are interested in Federal Crop Insurance. The bill contains necessary amendments to the Federal Crop Insurance Act. I think these amend-

ments will revitalize the program and will enable a greater number of farmers of America to participate in this Federal crop insurance program.

For many years, almost every member of the economic family of the Nation, has been able to insure against accidental loss of the commodity he deals with, except the farmer. The idea of protecting the farmer against accidental loss or destruction of his products is a sound one. The law with these amendments will, I believe, be put on a sound basis. Insurance generally is comparatively new, but it has been fully applied to the protection of every commodity except the crops grown by farmers. Many years ago, efforts were made to provide crop insurance but the first real effort came in the act of February 1938. However, the program has been carried out on a hit and miss basis and it has never had the backing from Congress it deserves.

This bill undertakes to place the act on a sound basis which will eventually pay its own way without loss to the Government and it proposes to offer farmers a type of insurance which they want and which they are willing to pay for. I think the Committee on Agriculture has done a splendid service to the farmers of the Nation in reporting this measure and I hope that it may be passed through both Houses of Congress during this session.

**The SPEAKER.** All time has expired. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

**Mr. HOPE.** Mr. Speaker, I move that the House insist upon its amendment and request a conference with the Senate and that the Chair appoint conferees.

**The SPEAKER.** Is there objection? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HOPE, AUGUST H. ANDRESEN, HILL, FLANNAGAN, and COOLEY.

#### SPECIAL ORDERS GRANTED

**Mr. SIKES.** Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the conclusion of the legislative business of the day and the special orders heretofore entered.

**The SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

**Mr. HOLIFIELD.** Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the special orders heretofore granted.

**The SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

#### EXTENSION OF REMARKS

**Mr. VAN ZANDT.** Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD in two separate instances.

**The SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

MARINE BAND AUTHORIZED TO ATTEND THE NATIONAL CONVENTION OF THE AMERICAN LEGION AT NEW YORK AND THE NATIONAL CONVENTION OF THE VETERANS OF FOREIGN WARS OF THE UNITED STATES IN CLEVELAND, OHIO

**Mr. VAN ZANDT.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4247) to authorize the attendance of the Marine Band at the national convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947.

The Clerk read the title of the bill.

**The SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

**Mr. VAN ZANDT.** Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 1633) to authorize the attendance of the Marine Band at the national convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947, and the national convention of the Veterans of Foreign Wars of the United States to be held in Cleveland, Ohio, September 4 to 9, 1947, may be substituted for the House bill.

The Clerk read the title of the Senate bill.

**The SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.* That the President is authorized to permit the band of the United States Marine Corps to attend and perform in the parade of the American Legion to be held in New York, N. Y., on August 30, 1947, and to attend and perform in the parade of the Veterans of Foreign Wars of the United States in Cleveland, Ohio, on a date between September 4 to 9, 1947, to be selected by the Veterans of Foreign Wars.

SEC. 2. For the purpose of defraying the expenses of such band in attending and performing in such parades, there is hereby authorized to be appropriated a sufficient sum to cover the cost of transportation and pullman accommodations for the leaders and members of the Marine Band, and allowance not to exceed \$6 per day each for additional traveling and living expenses while on duty, such allowances to be in addition to the pay and allowance to which they would be entitled while serving their permanent station.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 4247) were laid on the table.

FEDERAL DEPOSIT INSURANCE CORPORATION: CANCELLATION OF CAPITAL STOCK AND REFUND OF MONEY RECEIVED FOR SUCH STOCK

**Mr. WOLCOTT.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1070) to provide for the cancellation of the capital stock of the Federal Deposit Insurance Corporation and the refund of moneys

## Appropriations, fiscal year 1948—Continued

Bill	(1) Budget request	(2) House passed	(3) Passed Con- gress or Senate	Difference between Budget request and final action
Military Establishment.....	\$5,716,791,500	\$5,280,982,000	\$5,616,618,000	\$100,173,500
Government corporations.....	50,137,000	36,097,000	31,746,000	18,391,000
Independent offices.....	8,500,497,000	8,167,869,000	8,307,978,000	192,519,000
Legislative.....	76,153,000	54,895,000	55,254,000	20,599,000
War civil functions.....	382,727,000	339,186,000	539,927,000	2157,200,000
District of Columbia.....	95,793,000	95,930,000	95,500,000	293,000
Supplemental.....	1,925,683,000	1,603,199,000	1,679,076,000	246,607,000
Total.....	27,948,583,089	24,942,537,530	25,854,708,081	2,093,875,008
Less tax-refund reduction.....				800,000,000
Actual reduction.....				1,293,875,008

<sup>1</sup> Includes \$800,000,000 tax-refund reduction.<sup>2</sup> Increase over President's original request.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 609. An act conferring jurisdiction upon the United States District Court for the Western District of Arkansas to hear, determine, and render judgment upon any claims arising out of the deaths of Norman Ray Pedron and Carl Franklin Morris;

S. 1505. An act authorizing the Secretary of Agriculture to convey certain lands in Boise, Idaho, to the Boise Chamber of Commerce;

S. 1590. An act to amend the District of Columbia rent-control law so as to provide that schools and universities may recover possession of housing accommodations in certain cases;

S. 1633. An act to authorize the attendance of the Marine Band at the national convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947, and the national convention of the Veterans of Foreign Wars of the United States to be held in Cleveland, Ohio, September 4 to 9, 1947;

S. J. Res. 130. Joint resolution relating to safety in bituminous-coal and lignite mines of the United States; and

S. J. Res. 138. Joint resolution to provide for returns of Italian property in the United States, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 629) for the relief of A. E. McCartney and O. A. Foster; P. W. Woodyard and J. R. Mahon; B. E. Truitt, T. L. Truitt, and W. B. Lacy; G. W. Cox, J. M. Cox, and F. T. Cox; W. W. Cox and Dr. J. W. Cox; Robert Cathcart and Claude Cathcart.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4269) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TABER, Mr. WIGGLESWORTH, Mr. ENGEL of Michigan, Mr. STEFAN, Mr. CASE of South Dakota, Mr. KEEFE, Mr. CANNON, Mr. KERR, and Mr. MAHON were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 1326) to amend the Federal Crop Insurance Act, with an amendment; insisted upon its amendment; asked a conference with the

Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOPE, Mr. AUGUST H. ANDRESEN, Mr. HILL, Mr. FLANNAGAN, and Mr. COOLEY were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the bill (S. 1020) to amend the Philippine Rehabilitation Act of 1946, as amended with an amendment; insisted upon its amendment; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VORYS, Mr. JUDD, Mr. FULTON, Mr. RICHARDS, and Mr. MANSFIELD were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the following bill and joint resolution of the House:

H. R. 4069. An act to terminate certain tax provisions before the end of World War II; and

H. J. Res. 238. Joint resolution to amend paragraph 1772 of the Tariff Act of 1930.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 19, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, and 92 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 11, 16, 21, and 24, to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2389) for the relief of Harriett Townsend Bottomley; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JENNINGS, Mr. SPRINGER, and Mr. FEIGHAN were appointed managers on the part of the House at the conference.

## ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4268) making supplemental appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1942, and for other purposes, and it was signed by the President pro tempore.

## AMENDMENT OF PHILIPPINE REHABILITATION ACT OF 1946

The PRESIDING OFFICER (Mr. CAIN in the chair) laid before the Senate a message from the House of Representatives, insisting upon its amendment to the bill (S. 1020) to amend the Philippine Rehabilitation Act of 1946, as amended, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BUTLER. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. CORDON, Mr. BUTLER, Mr. MALONE, Mr. DOWNEY, and Mr. MCFARLAND conferees on the part of the Senate.

## RELIEF OF ACCOUNTABLE OFFICERS OF THE GOVERNMENT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1350) to authorize relief of accountable officers of the Government, and for other purposes, which were on page 1, line 11, strike out "for any reason whatsoever", and on page 2, strike out all after line 13, down to and including line 2, on page 3, and insert:

Sec. 2. This act shall not operate to repeal the provisions of the paragraph of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1920, and for other purposes," approved July 11, 1919, relating to relief of disbursing officers of the Navy (41 Stat. 132; U. S. C., title 31, sec. 105), and the act entitled "An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge," approved December 13, 1944 (58 Stat. 800; U. S. C., title 31, sec. 95a).

Mr. AIKEN. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

## AMENDMENT OF FEDERAL CROP INSURANCE ACT

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives, insisting upon its amendment to the bill (S. 1326) to amend the Federal Crop Insurance Act, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. AIKEN. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and

that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. AIKEN, Mr. BUSHFIELD, Mr. YOUNG, Mr. ELLENDER, and Mr. STEWART conferees on the part of the Senate.

#### EXTENSION OF CERTAIN SECOND-CLASS MAILING PRIVILEGES

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2857) to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. LANGER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LANGER, Mr. BUCK, and Mr. MCKELLAR conferees on the part of the Senate.

#### HARRIET TOWNSEND BOTTOMLEY

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2389) for the relief of Harriett Townsend Bottomley, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WILEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MOORE, Mr. COOPER, and Mr. KILGORE conferees on the part of the Senate.

#### AMENDMENT OF HOUSING ACT OF 1937—CONFERENCE REPORT

Mr. McCARTHY submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1361) to amend the United States Housing Act of 1937 so as to permit loans, capital grants, or annual contributions for low-rent-housing and slum-clearance projects where construction costs exceed present cost limitations upon condition that local housing agencies pay the difference between cost limitations and the actual construction costs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1 and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"Sec. 2. The United States or any State or local public agency assisted by Federal funds made available with respect to housing shall continue to have the right to maintain an action or proceeding to recover possession of

any housing accommodations (except as provided in the proviso of section 209 (b) of the Housing and Rent Act of 1947) operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered, but no such action or proceeding shall be maintained prior to March 1, 1948, if in the opinion of the administering authority such action or proceeding would result in undue hardship for the occupants of such housing accommodations, or unless in the opinion of such authority other housing facilities are available for such occupants."

And the House agree to the same.

JOE McCARTHY,  
J. WM. FULBRIGHT,  
By J. M.,  
JOHN J. SPARKMAN,  
By J. M.,

Managers on the Part of the Senate.

JESSE P. WOLCOTT,  
RALPH A. GAMBLE,  
JOHN C. KUNKEL,  
HENRY O. TALLE,  
BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,

Managers on the Part of the House.

Mr. McCARTHY. Mr. President, I ask unanimous consent for the present consideration of the conference report.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the report was considered and agreed to.

#### CONTROL OF DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. KEM submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 edition), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 4 of the act entitled 'An Act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes,' approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 edition), be amended by changing the last period to a colon and adding the following language: 'Provided, That arrests, without a warrant, and searches and seizures pursuant thereto, may be made for violation of this section, by police officers, as in the case of a felony, upon probable cause that the person arrested is violating this section at the time of the arrest; but no evidence discovered in the course of any arrest, search, or seizure authorized by this proviso shall be admissible in any criminal proceeding against the person arrested unless at the time of such arrest he was carrying a pistol or other dangerous weapon on or about his person.'

And the Senate agree to the same.

Amend the title so as to read: "An Act to amend section 4 of the Act entitled 'An Act to control the possession, sale, transfer, and use of pistols and other dangerous

weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes,' approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 edition)."

JAMES P. KEM,  
SPESSARD L. HOLLAND,  
Managers on the Part of the Senate.

JOS. P. O'HARA,  
JOHN J. ALLEN, JR.,  
T. G. ABERNETHY,

Managers on the Part of the House.

Mr. KEM. I ask unanimous consent for the immediate consideration of the conference report. I call attention to the fact that the report was signed by all the conferees with the exception of the junior Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I should like to be registered as voting against the adoption of the conference report.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

There being no objection, the report was considered and agreed to.

#### APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT — CONFERENCE REPORT

Mr. GURNEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 36.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 26, 27, 28, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,388,286,700"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$21,469,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,549,755,700"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,170,500"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$154,032,900"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment





Committee (p. 10368).

35. PURCHASING. S. 1728, by Sen. Aiken, Vt., for the more economical operation of the general supply fund of the Bureau of Federal Supply; to Expenditures in the Executive Departments Committee (p. 10368).
36. POULTRY. S. J. Res. 154, by Sen. Baldwin, Conn., to authorize issuance of a special series of stamps commemorating the 100th anniversary of the poultry business in the U. S.; to Civil Service Committee (p. 10368).
37. EXPORT CONTROLS. S. Res. 158, by Sen. Thomas, Okla., to direct the Agriculture and Forestry Committee to investigate administration of export controls on agricultural commodities by the Commerce Department; to Agriculture and Forestry Committee (p. 10369, where resolution is printed in full).
38. SMALL BUSINESS. S. 1740, by Sen. Murray, Mont., providing for a permanent Federal Small Business Corporation; to Banking and Currency Committee. Remarks of author. (p. 10435.)
39. LEGISLATIVE REFERENCE. H. R. 4389, by Rep. Corbett, Pa., to amend the Legislative Reorganization Act so as to relieve the Legislative Reference Service of preparation of data in certain cases. To House Administration Committee. (p. 10357.)
40. PERSONNEL RETIREMENT. H. R. 4397, by Rep. Lemke, N. Dak., to equalize the retirement benefits payable to Federal employees; to Post Office and Civil Service Committee (p. 10357).
41. PRICE CONTROL. H. J. Res. 253, to reestablish effective price and rent control; to Banking and Currency Committee (p. 10357).

ITEMS IN APPENDIX - July 25

42. ST. LAWRENCE WATERWAY. Sen. Aiken, Vt., inserted a radio interview with Sen. Wiley on this proposed project (pp. A4061-2).
43. COOPERATIVES. Rep. Patman, Tex., inserted his address defending cooperatives against current criticisms (pp. A4063-6).
44. SOIL CONSERVATION. Sen. Stewart, Tenn., inserted a Farm Bureau summary of H. R. 4150, H. R. 4151, and S. 1621, to divide SCS functions between ARA and Extension Service (pp. A4067-8).
45. AGRICULTURAL APPROPRIATIONS. Extension of remarks of Rep. Bennett, Mo., defending congressional reductions in USDA appropriations (pp. A4083-5).
46. CONGRESSIONAL REORGANIZATION. Extension of remarks of Rep. Kefauver, Tenn., favoring additional changes in congressional organization, etc. (pp. A4086-7).
47. FLOOD CONTROL. Extension of remarks of Rep. Banta, Mo., criticizing administration of the flood-control program and urging more coordination of the various participating agencies (pp. A4087-8).
48. POULTRY. Extension of remarks of Rep. Boggs, Del., commending development of the poultry industry in the U. S. (p. A4092).

SENATE - July 26

49. APPROPRIATIONS. Agreed to the second conference report on H. R. 3601, the agricultural appropriation bill, and concurred in the House amendment to the Senate amendment regarding the school-lunch program (pp. 10486-9). This bill will now be sent to the President.

Both Houses agreed to a revised conference report on H. R. 3756, the Government corporations appropriation bill, which, in addition to provisions of the first version of the conference report, eliminates Sec. 307 of the bill, regarding additional corporation controls (pp. 10522-6, 10528, 10577-9). This bill will now be sent to the President.

Both Houses agreed to the conference report on H. R. 4269, the first supplemental appropriation bill, 1948 (pp. 10539-49, 10604-5). This bill will now be sent to the President. The conferees agreed to \$75,000 for the Insecticide, Fungicide, and Rodenticide Act, \$17,500 for the BAI animal-husbandry item, \$600,000,000 for government and relief in the occupied areas, a provision expressing congressional opinion that expenditures for food stuffs should be for those items which can be purchased with benefit to the national economy, and \$210,000 for Sugar Rationing Administration.

Passed with amendments H. R. 4347, the second supplemental appropriation bill, and both Houses agreed to the conference report (pp. 10460-1, 10480-6, 10571, 10587-93, 10630-1). This bill will now be sent to the President. The Senate inserted \$500,000 to continue the Remount Service in the War Department temporarily, and the conferees agreed to \$350,000 for this purpose (p. 10483). The Senate inserted \$15,000 for E&PQ insect investigations, and the conferees agreed to \$5,000 for this item (p. 10482). The Senate increased the item for the Commission on Organization of the Executive Branch from \$500,000 to \$1,000,000, and the conferees agreed to \$750,000 (p. 10481).

Sens. Lucas, Ill., and Myers, Pa., discussed appropriation reductions and the history of the Legislative Budget, criticizing the manner of effectuating this provision (pp. 10504-10, 10518-19).

The "Daily Digest" includes a statement showing the amounts in the various appropriation bills in their different legislative stages (p. D616).

50. CROP INSURANCE. Both Houses agreed to the conference report on S. 1326, to limit the crop-insurance program to essentially an experimental basis (pp. 10478-9, 10580-1). This bill will now be sent to the President. The conference bill authorizes wheat insurance in 56 counties, corn and flax insurance in 50 counties each, and tobacco insurance in 35 counties; includes the Senate provision regarding reconstitution of the board of directors of FCIC, the Senate provision regarding suits against FCIC and by it, and the Senate limitation on reinsurance.

51. MARKETING AGREEMENTS. Passed without amendment H. R. 452, to make various amendments to the Agricultural Marketing Agreement Act (pp. 10463-4). This bill will now be sent to the President.

52. FORESTS. The "Daily Digest" states that H. J. Res. 205, to authorize sale of timber in the Tongass National Forest in such a way as to facilitate pulp production in Alaska, was passed (p. D612); however, the Congressional Record itself does not show this action, since it went to press before the Senate adjourned.

Passed without amendment H. R. 3395, to add certain lands to the Modoc National Forest, Calif. (p. 10467). This bill will now be sent to the President.

## AMENDMENT OF FEDERAL CROP INSURANCE ACT

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JULY 26, 1947.—Ordered to be printed

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Mr. HOPE, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany S. 1326]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1326) to amend the Federal Crop Insurance Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:*

*"(a) Commencing with crops planted for harvest in 1948, for the purpose of determining the most practical plan, terms, and conditions of insurance for agricultural commodities, if sufficient actuarial data are available, as determined by the Board, to insure, or to reinsurance insurers of, producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity: Provided, That reinsurance for private insurance companies shall be limited to contracts covering farms in not to exceed twenty counties selected by the Board. Such insurance shall be against loss of the insured commodity while in the field due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Any insurance offered against loss in yield shall no cover in excess of 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: Provided, That, if 75 per centum of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized*

farming practices, the Board shall reduce such maximum percentage so as more nearly to reflect the investment in the crop in such area. Insurance provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so resed, or to the failure of the producer to follow established good farming practices. In 1948 insurance shall be limited to not more than seven crops (including wheat, cotton, flax, corn, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity, except wheat, cotton, flax, corn, and tobacco, shall be limited to producers in not to exceed twenty counties. Insurance for wheat, cotton, corn, flax, and tobacco shall be limited to producers in not to exceed two hundred counties in the case of wheat, fifty-six counties in the case of cotton, fifty counties each in the case of corn and flax, and thirty-five counties in the case of tobacco. Counties selected by the Board shall be representative of the several areas where the agricultural commodity insured is normally produced. Insurance shall not be provided in any county unless written applications therefor are filed covering at least two hundred farms or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured."

SEC. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: "Provided, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of an average market price designated by the Board."

SEC. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out in the first sentence "however," and inserting in lieu thereof "That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid: Provided, further,".

SEC. 4. Section 502 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 502. It is the purpose of this title to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance."

SEC. 5. Nothing in this Act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this Act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this Act is hereby terminated at the end of the 1947 crop year.

SEC. 6. Subsection (d) of section 507 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the subsection and inserting a comma and the following: "except that em-

ployees or agencies responsible for administering this Act in each county shall be selected and designated by the Corporation and shall be responsible directly to the Corporation without the intervention of any intermediate office or agency."

SEC. 7. Subsection (d) of section 506 of the Federal Crop Insurance Act is amended to read as follows:

"(d) Subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy: Provided, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property."

SEC. 8. Section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 505. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the 'Board') subject to the general supervision of the Secretary of Agriculture. The Board shall consist of the manager of the Corporation, two other persons employed in the Department of Agriculture, and two persons experienced in the insurance business who are not otherwise employed by the Government. The Board shall be appointed by, and hold office at the pleasure of the Secretary of Agriculture, who shall not, himself, be a member of the Board.

"(b) Vacancies in the Board so long as there shall be three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three of the members in office shall constitute a quorum for the transaction of the business of the Board.

"(c) The Directors of the Corporation who are employed in the Department of Agriculture shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia. The members of the Board who are not employed by the Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed \$100 per day each when actually employed and necessary traveling and subsistence expenses when engaged in business of the Corporation away from their homes or regular places of business.

"(d) The manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture."

And the House agree to the same.

CLIFFORD R. HOPE,  
JOHN W. FLANNAGAN, JR.,  
AUGUST H. ANDRESEN,  
WILLIAM HILL,  
HAROLD D. COOLEY,  
*Managers on the Part of the House.*

GEORGE D. AIKEN,  
HARLAN J. BUSHFIELD,  
ALLEN J. ELLENDER,  
*Managers on the Part of the Senate.*

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## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1326) to amend the Federal Crop Insurance Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the House struck out all after the enacting clause in the Senate bill and substituted the language of H. R. 3465. The conference agreement is a substitute for both the Senate bill and the House amendment and is identical with the House amendment except as hereafter explained.

In the matter of the number of counties in which crop insurance is to be offered, the Senate bill provided for wheat in 633 counties, for flax in 87 counties, for cotton in 56 counties, and 50 counties each for corn and tobacco. The House amendment provided for insurance in not to exceed 50 counties in the case of wheat, corn, and cotton and not to exceed 25 in the case of flax and tobacco. The agreement reached by the conference would authorize wheat insurance in 200 counties, cotton insurance in 56 counties, corn and flax insurance in 50 counties each, and tobacco insurance in 35 counties.

The Senate bill proposed to increase the Board of Directors from three to five members by the addition of two persons not employed in the Department of Agriculture who are experienced in the insurance business. The House amendment contained no such provision. The conference substitute includes the Senate provision.

The Senate bill contained an authorization for the Corporation to sue and be sued in its corporate name in any court of record of a State having general jurisdiction or in any United States district court, without regard to the amount in controversy. No corresponding provision was contained in the House amendment. The conference substitute includes this provision.

In the matter of reinsurance, the Senate bill contained a provision limiting reinsurance to not more than 20 counties for all commodities. The House amendment did not contain this provision. The conference substitute includes this provision of the Senate bill.

CLIFFORD R. HOPE,  
AUGUST H. ANDRESEN,  
WILLIAM HILL,  
JOHN W. FLANNAGAN, Jr.,  
HAROLD D. COOLEY,  
*Managers on the Part of the House.*



best of faith. I want it distinctly understood what the representation was that was made by me.

I invite attention to the fact that on July 16 at page 9212 of the CONGRESSIONAL RECORD, after some colloquy with respect to the AMVETS, the following statement was made by me:

I do not know whether the Senator from New Mexico has in mind any organizations other than the Jewish War Veterans, the Catholic War Veterans, the Gold Star Wives, and the American Veterans' Committee. I may say that the senior Senator from West Virginia [Mr. KILGORE] and I constitute a subcommittee of the Judiciary Committee, and the bills for the incorporation of those four organizations are pending before the subcommittee. It is the judgment of both the senior Senator from West Virginia and myself that we shall be able to make a report to the Committee on the Judiciary in time for it to make a report one way or the other in regard to each of those four bills.

Mr. President, the subcommittee, consisting of the Senator from West Virginia [Mr. KILGORE] and I, did make a report to the Committee on the Judiciary in time for that committee to act. The situation as disclosed with respect to the American Veterans' Committee was such that the Committee on the Judiciary did not deem it advisable to report the bill, but, on the other hand, determined to hold the matter over, with hearings to be held. I may say that subject to that particular action by the Committee on the Judiciary Mr. Patterson, the head of the American Veterans' Committee, asked leave to appear and did appear before the Committee on the Judiciary and made a further statement. The committee was still of the same opinion as before, and, consequently, the action of the Judiciary Committee has been as indicated, namely, to lay the matter over, with hearings to be held.

Let me say, in justice to the senior Senator from West Virginia, that my recollection is that he moved that the bill with respect to the American Veterans' Committee be reported by the Committee on the Judiciary, and that I moved as a substitute for his motion the action which was taken by the Committee on the Judiciary.

Let me say, Mr. President, without undertaking to go into the merits of the American Veterans' Committee in detail, that the facts as disclosed led me to conclude that the American Veterans' Committee had liabilities for services to be rendered under the obligation arising from unpaid dues. From previous experience with the American Veterans' Committee as disclosed at the Des Moines conference in 1946, together with certain questioning in the Judiciary Committee, my opinion is reinforced that we acted wisely in not bringing to the floor of the Senate action on the American Veterans' Committee.

Mr. President, while I am on my feet, may I say with respect to the Gold Star Wives that they are included in the list. That matter was considered and the committee determined not to report it out.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REVERCOMB. What question is now pending?

The PRESIDENT pro tempore. The question pending is the request to consider Calendar 770, Senate Concurrent Resolution 19, establishing a joint committee to investigate high prices of consumer goods. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 19) establishing a joint committee to investigate high prices of consumer goods, which had been reported from the Committee on Banking and Currency with an amendment, and subsequently reported from the Committee on Rules and Administration with an additional amendment, to strike out all after the resolving clause and insert the following:

That the Joint Committee on the Economic Report is hereby authorized and directed through two or more subcommittees of the said committee, each to be composed of three members of the Senate (not more than two of whom shall be members of the same political party) and three Members of the House of Representatives (not more than two of whom shall be members of the same political party). Members of said subcommittees may be selected from the membership of said Joint Committee on the Economic Report or from Members of the Senate and of the House of Representatives not members of said Committee on the Economic Report. Vacancies in the membership of the subcommittees shall not affect the powers of the remaining members to exercise the functions of the subcommittee and shall be filled in the same manner as in the case of the original selection.

SEC. 2. It shall be the duty of the joint committee through the said subcommittees (1) to make a full and complete study and investigation of the present high prices of consumer goods and (2) to report to the Congress not later than February 1, 1948, the results of the study and investigation of its subcommittees together with such recommendations, as to necessary legislation as it may deem desirable.

SEC. 3. (a) The subcommittees herein established are authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Eightieth Congress, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditure as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The Joint Committee on the Economic Report is empowered to appoint and fix the compensation of such experts, consultants, and clerical, and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties.

(c) The expenses of the subcommittees, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate. Upon vouchers signed by the chairman of the Joint Committee on the Economic Report, disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, is it contemplated that this investigation

shall apply to all types of commodities?

Mr. BALDWIN. The investigation will apply primarily to consumer prices on food, clothing, and matters of that kind. It will not apply to housing. There is a special resolution regarding housing.

Mr. CONNALLY. I should like to know whether it covers manufactured goods as well as agricultural products.

Mr. BALDWIN. Yes. I can say to the Senator that that is the purpose of the resolution.

Mr. CONNALLY. It will cover the entire country?

Mr. BALDWIN. Yes, sir.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FULBRIGHT. Is it in order to ask for consideration of a bill which is not on the calendar?

The PRESIDENT pro tempore. Not until the present order is concluded.

The question is on agreeing to the concurrent resolution as amended.

The concurrent resolution as amended was agreed to.

#### CONSIDERATION OF BILL NOT ON CALENDAR

Mr. FULBRIGHT. Mr. President, it is in order now, I understand, to ask for consideration of a bill which is not on the calendar?

The PRESIDENT pro tempore. The Senator is correct.

Mr. FULBRIGHT. Mr. President, I shall ask unanimous consent for the immediate consideration of House bill 4169, but I ask that the Committee on Interstate and Foreign Commerce be discharged from its further consideration. I do that after consulting with the chairman of the committee and with four members of the committee—

Mr. TAFT. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. The bill is not on the calendar.

Mr. FULBRIGHT. I stated that it was not on the calendar.

The PRESIDENT pro tempore. In the opinion of the Chair, we are working under an order which deals solely with bills upon the calendar.

Mr. FULBRIGHT. Did not the Senate just consider the resolution of the Senator from New Jersey?

The PRESIDENT pro tempore. It was on the calendar.

Mr. TAYLOR. No, Mr. President.

The PRESIDENT pro tempore. It was on the calendar for the day.

Mr. FULBRIGHT. Mr. President, when is the proper time to ask for the taking up of this matter?

The PRESIDENT pro tempore. Whenever the Senator can obtain the floor, when existing orders have been exhausted.

#### AMENDMENT OF INTERNAL REVENUE CODE

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the Senate recur to Calendar 753, House bill 3613. The distinguished senior Senator from Utah [Mr. THOMAS] last night asked that it

go over. I understand that he is now willing to withdraw his objection.

Mr. THOMAS of Utah. That is true. The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 3613) to amend sections 1802 (a), 1802 (b), and 3481 (a) of the Internal Revenue Code, was considered, ordered to a third reading, read the third time, and passed.

P. L. (SPUD) MURPHY

Mr. WILEY. Mr. President, I ask unanimous consent that the Senate recur to Calendar No. 649, House bill 1492.

Mr. CORDON. Mr. President, I objected when the bill was reached on the calendar, but I now withdraw my objection.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 1492) for the relief of P. L. (Spud) Murphy, owner and manager of Spud's Tailors, Laundry & Dry Cleaning Works, was considered, ordered to a third reading, read the third time, and passed.

#### AMERICAN VETERANS' COMMITTEE

Mr. TAYLOR. Mr. President, in regard to the matter of the American Veterans' Committee, I talked to the Senator from Missouri [Mr. DONNELL] and said I did not care whether the bill was reported favorably or unfavorably. Nothing was said, and I took it as a tacit agreement that it would be reported. Evidently that was not the Senator's understanding. It is perfectly all right. I understand now, however, why the American Veterans' Committee is so anxious for this price inquiry. They are broke; they are in the red. I hope they will do their best to become prosperous.

#### AMENDMENTS TO FEDERAL CROP ACT—CONFERENCE REPORT

Mr. AIKEN submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1326) to amend the Federal Crop Insurance Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(a) Commencing with crops planted for harvest in 1948, for the purpose of determining the most practical plan, terms, and conditions of insurance for agricultural commodities, if sufficient actuarial data are available, as determined by the Board, to insure, or to reinsure insurers of, producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity: *Provided*, That reinsurance for private insurance companies shall be limited to contracts covering farms in not to exceed twenty counties selected by the Board. Such insurance shall be against loss of the insured commodity while in the field due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightening, fire,

excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Any insurance offered against loss in yield shall not cover in excess of 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: *Provided*, That, if 75 per centum of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum percentage so as more nearly to reflect the investment in the crop in such area. Insurance provided under this subsection shall not cover losses due to the neglect or malefeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. In 1948 insurance shall be limited to not more than seven crops (including wheat, cotton, flax, corn, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity, except wheat, cotton, flax, corn, and tobacco, shall be limited to producers in not to exceed twenty counties. Insurance for wheat, cotton, corn, flax, and tobacco shall be limited to producers in not to exceed 200 counties in the case of wheat, 56 counties in the case of cotton, 50 counties each in the case of corn and flax, and 35 counties in the case of tobacco. Counties selected by the Board shall be representative of the several areas where the agricultural commodity insured is normally produced. Insurance shall not be provided in any county unless written applications therefor are filed covering at least two hundred farms or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured."

"SEC. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: '*Provided*, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of an average market price designated by the Board.'

"SEC. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out in the first sentence 'however', and inserting in lieu thereof 'That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid: *Provided, further*'."

"SEC. 4. Section 502 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 502. It is the purpose of this title to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance."

"SEC. 5. Nothing in this Act shall be construed to affect the validity of any insurance

contract entered into prior to the enactment of this Act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this Act is hereby terminated at the end of the 1947 crop year."

"SEC. 6. Subsection (d) of section 507 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the subsection and inserting a comma and the following: 'except that employees or agencies responsible for administering this Act in each county shall be selected and designated by the Corporation and shall be responsible directly to the Corporation without the intervention of any intermediate office or agency.'

"SEC. 7. Subsection (d) of section 506 of the Federal Crop Insurance Act is amended to read as follows:

"(d) Subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property."

"SEC. 8. Section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 505. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the "Board") subject to the general supervision of the Secretary of Agriculture. The Board shall consist of the manager of the Corporation, two other persons employed in the Department of Agriculture, and two persons experienced in the insurance business who are not otherwise employed by the Government. The Board shall be appointed by, and hold office at the pleasure of the Secretary of Agriculture, who shall not, himself, be a member of the Board.

"(b) Vacancies in the Board so long as there shall be three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three of the members in office shall constitute a quorum for the transaction of the business of the Board.

"(c) The Directors of the Corporation who are employed in the Department of Agriculture shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia. The members of the Board who are not employed by the Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed \$100 per day each when actually employed and necessary traveling and subsistence expenses when engaged in business of the Corporation away from their homes or regular places of business.

"(d) The manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture."

And the House agree to the same.

GEO. D. AIKEN,  
HARLAN J. BUSHFIELD,  
ALLEN J. ELLENDER,  
*Managers on the Part of the Senate.*

CLIFFORD R. HOPE,  
JOHN W. FLANNAGAN, JR.,  
AUGUST H. ANDRESEN,  
WILLIAM HILL,  
HAROLD D. COOLEY,  
*Managers on the Part of the House.*

Mr. AIKEN. I ask unanimous consent for the present consideration of the report?

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrel, its enrolling clerk, announced the House had passed, without amendment, the bill (S. 1498) to provide support for wool, and for other purposes.

The message also announced that the House had passed the bill (S. 907) to provide for the orderly transaction of the public business in the event of the death, resignation, or separation from office of regional disbursing officers of the Treasury Department, with an amendment, in which it requested the concurrence of the Senate.

#### STUDY OF AGRICULTURAL LEGISLATION

Mr. THYE. Mr. President, I ask unanimous consent to revert to Calendar No. 768, Senate Resolution 147, which pertains to the study committee on agricultural and forestry questions.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 147) authorizing a study of agricultural legislation and of trends, needs, and problems of agriculture, which had been reported from the Committee on Rules and Administration, with an amendment.

Mr. OVERTON. Mr. President, may I ask whether this resolution requires the expenditure of any money?

Mr. THYE. It requires the expenditure of \$15,000. It was objected to by the senior Senator from Oregon [Mr. CORDON] last night, but he has withdrawn his objection.

Mr. OVERTON. I do not see how agriculture would be advanced by a further investigation. There have been agricultural problems ever since I have been a Member of the Senate and for many years before that.

Mr. THYE. The Steagall amendment contains the mechanics of the support price, and it will expire in 1948. Likewise, the Farm Credit Corporation will expire. Because of that, it is necessary that a study be made of the type of program which will be needed after December 31, 1948. That is the purpose of the study committee.

Mr. OVERTON. Is it a joint committee, or will the investigation be conducted by the Committee on Agriculture and Forestry?

Mr. THYE. It will be conducted by a part of the Senate Committee on Agriculture and Forestry. It will work during the recess period in order to present a program at the next session of Congress. It has the unanimous support of the Committee on Agriculture.

Mr. OVERTON. Who appoints the subcommittee?

Mr. THYE. I presume it will be appointed by the chairman and the President of the Senate.

Mr. WHERRY. Mr. President, if the Senator will yield, let me say that this measure also comes from the Committee on Rules and Administration, after rather exhaustive hearings on it, with the committee's entire approval, because it is a subcommittee of a standing committee, and we felt that it should make some study of the program to be adopted following the termination of the Steagall Support Act.

Mr. BARKLEY. Mr. President, I should like to make an observation.

Mr. OVERTON. I yield.

Mr. BARKLEY. The standing committees have authority to conduct investigations of matters under their jurisdiction, during a recess of the Congress, without any specific authorization because of the recess. Probably the only additional thing that would be needed would be some additional funds. The general authority of the committee is sufficient to authorize the committee to investigate matters under their jurisdiction, during the recess. If the committee needs additional funds in order to make an investigation of agricultural conditions, in addition to its regular appropriation for clerk hire and its regular work, I have no doubt that the Senate would concur in a proposal for such an increase in funds.

But it really is not necessary to secure special authority from the Senate to enable the Committee on Agriculture or any other committee to carry on its work during the recess of the Congress.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. OVERTON. I object.

The PRESIDENT pro tempore. The Senator from Louisiana objects. The resolution goes over.

#### AMERICAN INDIAN DAY

Mr. BUSHFIELD. Mr. President, I ask unanimous consent that we may revert to Calendar No. 183, Senate bill 309.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 309) designating American Indian Day.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. REED. Over.

The PRESIDENT pro tempore. Objection is made, and the bill goes over.

#### EXPORT OF GASOLINE AND PETROLEUM PRODUCTS TO FOREIGN COUNTRIES

Mr. CAPEHART. Mr. President, I ask that we revert to Order No. 733, Senate bill 1653. A House bill, Calendar No. 732, House bill 4042, is similar, and it is to be substituted for the Senate bill.

The PRESIDENT pro tempore. The Senator from Indiana has asked unanimous consent that the Senate revert to the consideration of Calendar No. 733,

Senate bill 1653, which will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1653) to control the export to foreign countries of gasoline and petroleum products from the United States.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. COOPER. I object.

The PRESIDENT pro tempore. The bill goes over, under objection.

#### PROMOTION AND ELIMINATION OF OFFICERS OF THE ARMY, NAVY, AND MARINE CORPS

Mr. BALDWIN. Mr. President, the Armed Services Committee has reported to the Senate several bills which are on the calendar, and which I should like to have an opportunity on behalf of the committee to call up.

The first one is Calendar 637, House bill 3830, popularly known as the promotion bill. Would it be in order to take it up at this time?

The PRESIDENT pro tempore. The Senator may make such a request.

Mr. BALDWIN. I make that request.

The PRESIDENT pro tempore. The Senator from Connecticut has asked unanimous consent that the Senate revert to Calendar No. 637, House bill 3830, which will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3830) to provide for the promotion and elimination of officers of the Army, Navy, and Marine Corps, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. CONNALLY. I wish to know something about the bill.

Mr. BALDWIN. Mr. President, it is my purpose to explain this bill fully. Would I be limited to 5 minutes, under the 5-minute rule, or might I obtain unanimous consent to proceed for a longer period of time?

The PRESIDENT pro tempore. The Senator is limited to 5 minutes, under the rule, unless he can obtain unanimous consent to the contrary.

Mr. BALDWIN. Mr. President, I request such unanimous consent.

Mr. CONNALLY. Mr. President, if the bill cannot be explained in 5 minutes, it should not be considered at this time, during the call of the calendar, under the 5-minute rule.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. CONNALLY. I object.

The PRESIDENT pro tempore. Objection being made, the bill goes over.

#### PROCUREMENT OF SUPPLIES AND SERVICES BY THE WAR AND NAVY DEPARTMENTS

Mr. BALDWIN. Mr. President, I now ask for the present consideration of Calendar No. 597, House bill 1366, the Army and Navy procurement bill. Let me state that I cannot explain the bill in 5 minutes. I am perfectly willing to defer

my request for consideration of the bill until matters on the calendar which can be acted on in a short length of time are disposed of, provided that we have an opportunity to present these bills. They are extremely important, as pertaining to the national defense, and they should be passed at this session of the Congress. Both of the bills I have mentioned have already been passed by the House of Representatives.

The PRESIDENT pro tempore. Is the Senator from Connecticut requesting consent for the present consideration of Calendar No. 597, House bill 1366?

Mr. BALDWIN. I am.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 1366) to facilitate procurement of supplies and services by the War and Navy Departments, and for other purposes.

The PRESIDENT pro tempore. Is there objection?

Mr. AIKEN. Mr. President, I have no objection to having this measure acted upon, but I wish to have a little more than 5 minutes' time to speak on it. This bill gives the Army and the Navy certain privileges in connection with procurement which are denied to the Federal Supply Bureau and to other extremely important and necessary agencies of the Government, and I should like to explain that matter. It will take more than 5 minutes to do so. I hope the bill will come up later in the day.

The PRESIDENT pro tempore. Under objection, the bill goes over.

#### AMENDMENT OF ORGANIC ACT OF PUERTO RICO

Mr. CHAVEZ. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Order of Business 434, House bill 3309, to amend the Organic Act of Puerto Rico.

The PRESIDENT pro tempore. Is there objection?

Mr. TAFT. I object.

The PRESIDENT pro tempore. The bill goes over under objection.

#### PROMOTION AND ELIMINATION OF CERTAIN OFFICERS OF THE ARMED SERVICES

Mr. GURNEY. Mr. President, I renew the request that the Senate proceed to consider Order of Business 631, House bill 3830, to provide for the promotion and elimination of officers of the Army, Navy, and Marine Corps, and for other purposes. I have talked with the senior Senator from Texas [Mr. CONNALLY], and he has agreed to withdraw his objection until we can have an explanation of the bill by the Senator from Connecticut.

The PRESIDENT pro tempore. Is there objection?

Mr. CHAVEZ. I object.

The PRESIDENT pro tempore. The Senator from New Mexico objects.

#### EXPLORATION, DEVELOPMENT, AND PRODUCTION OF DOMESTIC MINES

Mr. MILLIKIN. Mr. President, I ask unanimous consent to return to Calendar No. 746, House bill 1602, to stimulate exploration, development, and production from domestic mines by private en-

terprise, and for other purposes, and I ask the attention of the distinguished senior Senator from Ohio.

In a moment I shall make objection to the immediate consideration of the bill, on behalf of the junior Senator from Ohio [Mr. BRICKER], who is absent from the Chamber, and who would object, but I should like to ask the senior Senator from Ohio what the plan is for the consideration of this important measure.

Mr. TAFT. Mr. President, this is a bill relating to the proposed premium payments for copper, lead, and zinc, which I think should follow the measures which have priority at the moment. Those measures are the so-called Reverbom resolution and the last appropriation bill to be taken up, which will be taken up as soon as the call of the calendar is completed.

Mr. MILLIKIN. On behalf of the junior Senator from Ohio [Mr. BRICKER], I object to the immediate consideration of the bill.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

#### AUTHORIZATION FOR STUDY OF AGRICULTURAL LEGISLATION AND PROBLEMS OF AGRICULTURE

The PRESIDENT pro tempore. The Chair is advised that the Senator from Louisiana has withdrawn his objection to the consideration of Calendar No. 768, Senate Resolution 147.

Mr. THYE. Mr. President, I ask unanimous consent that the Senate revert to the resolution and adopt it.

There being no objection, the Senate proceeded to consider the resolution (S. Res. 147) authorizing a study of agricultural legislation and of trends, needs, and problems of agriculture, which had been reported from the Committee on Rules and Administration, with amendments, on page 1, to strike out lines 1 to 5, as follows:

*Resolved*, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereto, is authorized and directed to make a study and inquiry into existing and pending agricultural legislation and of the trends, needs, and problems of agriculture in the United States.

And to insert:

*Resolved*, That the Committee on Agriculture and Forestry, or any duly authorized subcommittees thereof, is authorized and directed to make a study and inquiry into the trends, needs, and problems of agriculture in the United States, Territories, and possessions.

On page 2, line 6, after the word "authorized", to insert "during the sessions, recesses, and adjourned periods of the Eightieth Congress"; and on line 10, after the word "exceeds", to insert "\$15,000", so as to make the resolution read:

*Resolved*, That the Committee on Agriculture and Forestry, or any duly authorized subcommittees thereof, is authorized and directed to make a study and inquiry into the trends, needs, and problems of agriculture in the United States, Territories, and possessions.

SEC. 2. The committee shall report to the Senate at the earliest practicable date the results of its study, together with such recommendations as it may deem desirable.

SEC. 3. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized during the sessions, recesses, and adjourned periods of the Eightieth Congress to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed \$15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The resolution, as amended, was agreed to.

The PRESIDENT pro tempore. That concludes the call of the calendar.

#### SECOND SUPPLEMENTAL APPROPRIATION BILL

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of House bill 4347, making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, the last appropriation bill to be considered.

Mr. REVERCOMB. Mr. President, reserving the right to object, it is my understanding that the order was last evening that we would take up Senate resolution 137, and after proceeding an hour with it the calendar would be called, and that upon the conclusion of the call of the calendar the Senate would again proceed with the consideration of Senate Resolution 137. That was an order made at that time, an order which I feel should be followed.

Mr. TAFT. I do not think that was quite the order, but if it was, it is all subject to the condition to which every agreement is subject, that when appropriation bills come before the Senate they shall be immediately dealt with. I agree that as soon as the supplemental appropriation bill has been disposed of, we will return to the consideration of the resolution of the Senator from West Virginia.

Mr. BALDWIN. Mr. President, if the supplemental appropriation bill shall be considered, will there be another opportunity to take up other matters on the calendar?

The PRESIDENT pro tempore. The Chair is unable to respond to the Senator.

Mr. TAFT. It is not the intention to return to the calendar at any time, and the measures to be taken up must be taken up either by unanimous consent, or, if the Kem resolution is not before the Senate, by motion.

Mr. REVERCOMB. Mr. President, I make the inquiry, how long does the Senator from Ohio think it will take to dispose of the appropriation bill he proposes to have now considered.

Mr. TAFT. This is the second supplemental bill. I hope the debate will be short. Before we adjourn tonight the bill must go to conference, and we must also adopt the conference report. It is most important that we consider the bill now.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, I was in communication with one of the Members of

our belief that this will in no way affect the proper operation of such institutions.

Legislation to accomplish this purpose is now before the Eightieth Congress in the case of the Federal Deposit Insurance Corporation. Eleven of the twelve Federal land banks have already followed the suggested procedure.

Amendment No. 34 changes a section number.

#### AMENDMENT IN DISAGREEMENT

The managers on the part of the House have authorized the following motion with respect to amendment No. 29: That the House recede and concur with an amendment making the amount of the proposed loan not to exceed \$250,000 instead of \$500,000 and prohibiting its use for repayment of outstanding indebtedness to banks.

WALTER C. PLOESER,  
BEN F. JENSEN,  
GEO. B. SCHWABE,  
F. R. COUDERT, Jr.,  
JAMES L. WHITTEN,  
ALBERT GORE,

Managers on the Part of the House.

Mr. PLOESER. Mr. Speaker, I call up the conference report on the bill H. R. 3756, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. RICH. What are you going to do with the 161 automobiles for the TVA? We have had joy riding long enough. It is time for the joy rides to be stopped and we ought to put a stop to it.

Mr. PLOESER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 21, after line 15, insert:

"The Virgin Islands Company is authorized to borrow from the Treasury of the United States, for the purpose of carrying out any of the programs of the Company set forth in the budget for the fiscal year 1948, sums of money not to exceed a total of \$500,000. For this purpose the Secretary of the Treasury is authorized and directed to make loans to the Company, but of any funds in the Treasury not otherwise appropriated, on such terms and conditions as the Secretary of the Treasury shall determine. Such loans shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of the loan to the Company."

Mr. PLOESER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PLOESER moves that the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"The Virgin Islands Company is authorized to borrow from the Treasury of the United States, for the purpose of carrying out any of the programs of the Company set forth in the budget for the fiscal year 1948, sums of money not to exceed a total of \$250,000: Provided, That none of the funds borrowed under this authority shall be available for repayment of bank loans outstanding at the date of enactment of this act. For this purpose the Secretary of the Treasury is authorized and directed to make loans to the Company, out of any funds in the Treasury not otherwise appropriated, on such terms and conditions as the Secretary of the Treasury shall determine. Such loans shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of the loan to the Company."

The motion was agreed to.

A motion to reconsider was laid on the table.

#### VETERANS OF INDIAN WARS

Mr. MATHEWS. Mr. Speaker, I move that the House suspend the rules and pass the bill, H. R. 4055, to provide increases in the rates of pension payable to veterans of Indian wars and the dependents of such veterans.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That all monthly rates of pension payable to veterans of the Indian wars and dependents of such veterans which are payable under any laws administered by the Veterans' Administration are hereby increased by 20 percent.

The increases provided by this section shall be effective from the first day of the second calendar month following the date of enactment of this act.

The SPEAKER. Is a second demanded?

Mr. RIZLEY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MATHEWS. Mr. Speaker, this bill is designed to do for the veterans of the Indian wars what the House did a short time ago for Civil War and Spanish War veterans, that is, to increase the compensation 20 percent for both veterans and their dependents. As a matter of fact, according to our figures as of July 1, there were only 790 of these veterans left and about 2,200 dependents. The veterans are of an average age of 85 years, and the dependents of an average age of 80 years. The veterans themselves have a life expectancy of only 2.77 years, and the dependents a life expectancy of 4.39 years.

I do not see, Mr. Speaker, how we can fail to do for these veterans of the Indian wars what the House did in a bill passed here a short time ago on a roll call without a dissenting vote. The bill ought to be passed.

Mr. RIZLEY. Mr. Speaker, I yield myself 5 minutes and ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RIZLEY. Mr. Speaker, several days ago the House by an overwhelming vote passed H. R. 4051, a bill which I

introduced to amend the Natural Gas Act. The bill is now pending in the other body. Since that time the Federal Power Commission has carried on one of the most intense, dishonest, and vicious lobbies imaginable against the bill. Title 18 of United States Code, section 201, provides:

No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designated to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

Information has come to me today that the Federal Power Commission, by the use of public funds, has carried on their vicious, unfair, unscrupulous, and dishonest propaganda by use of the mails, telephone and telegram, letters, and other printed matter.

Mr. Speaker, If my information just received today is correct, and I have every reason to believe it is, certain members of the FPC have violated the above statute in every respect, attempting to influence Members of Congress against H. R. 4051, or any similar legislation. I just received the information today. I will investigate between now and January 1, and if the facts are as I believe them to be, I am serving notice now that I will on the 1st day of January file charges on this floor to impeach certain members of the Federal Power Commission for violation of a criminal statute.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. KUNKEL. Why do not these bureaucrats have to register under our lobby registration law, the same as anybody else who comes up here?

Mr. RIZLEY. May I say to my distinguished friend from Pennsylvania I think under the reorganization bill we might quite well provide that these bureaus be required to register so that we can make them amenable to the lobbying provisions of that act, the same as representatives of business.

Mr. KUNKEL. If they are registered, then we would have them.

Mr. RIZLEY. The gentleman is correct.

Mr. Speaker, I yield back the remainder of my time.

Mr. RANKIN. Mr. Speaker, will the gentleman yield to me?

Mr. MATHEWS. Well, I want to get through with this bill.

Mr. RANKIN. Will the gentleman yield me 5 minutes?

Mr. MATHEWS. Is it on this bill?

Mr. RANKIN. I want to answer the gentleman. It sounds a little funny, with enough power trust and gas trust lobbyists in Washington to whip Japan, to jump on the members of the Federal Power Commission when we are discussing a pension bill. I will be glad to discuss the matter.

Mr. MATHEWS. I cannot yield to the gentleman. I am sorry, but I want this bill discussed on its merits.

I yield to the gentleman from North Carolina [Mr. BONNER] for a unanimous-consent request.

Mr. BONNER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the Parker refuge bill and include certain letters and communications I have received.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MATHEWS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill, H. R. 4055?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

#### TO AMEND THE FEDERAL CROP INSURANCE ACT—CONFERENCE REPORT

Mr. HOPE, from the Committee on Agriculture, submitted the following conference report and statement on the bill (S. 1326) to amend the Federal Crop Insurance Act:

##### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1326) to amend the Federal Crop Insurance Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(a) Commencing with crops planted for harvest in 1948, for the purpose of determining the most practical plan, terms, and conditions of insurance for agricultural commodities, if sufficient actuarial data are available, as determined by the Board, to insure, or to reinsure insurers of, producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity: *Provided*, That reinsurance for private insurance companies shall be limited to contracts covering farms in not to exceed twenty counties selected by the Board. Such insurance shall be against loss of the insured commodity while in the field due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rains, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Any insurance offered against loss in yield shall not cover in excess of 75 per centum of the recorded or appraised average yield of the commodity on the insured farm, for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: *Provided*, That, if 75 per centum of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum percentage so as more nearly to reflect the investment in the crop in such area. Insurance provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure

of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. In 1948 insurance shall be limited to not more than seven crops (including wheat, cotton, flax, corn, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity, except wheat, cotton, flax, corn, and tobacco, shall be limited to producers in not to exceed twenty counties. Insurance for wheat, cotton, corn, flax, and tobacco shall be limited to producers in not to exceed two hundred counties in the case of wheat, fifty-six counties each in the case of corn and flax, and thirty-five counties in the case of tobacco. Counties selected by the Board shall be representative of the several areas where the agricultural commodity insured is normally produced. Insurance shall not be provided in any county unless written applications therefor are filed covering at least two hundred farms or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured."

"SEC. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: '*Provided*, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of an average market price designated by the Board.'

"SEC. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out in the first sentence 'however,' and inserting in lieu thereof 'That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid: *Provided*, further.'

"SEC. 4. Section 502 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 502. It is the purpose of this title to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance."

"SEC. 5. Nothing in this Act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this Act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this Act is hereby terminated at the end of the 1947 crop year."

"SEC. 6. Subsection (d) of section 507 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the subsection and inserting a comma and the following: 'except that employees or agencies responsible for administering this Act in each county shall be selected and designated by the Corporation and shall be responsible directly to the Corporation without the intervention of any intermediate office or agency.'

"SEC. 7. Subsection (d) of section 506 of the Federal Crop Insurance Act is amended to read as follows:

"(d) Subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property."

"SEC. 8. Section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 505. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the "Board") subject to the general supervision of the Secretary of Agriculture. The Board shall consist of the manager of the Corporation, two other persons employed in the Department of Agriculture, and two persons experienced in the insurance business who are not otherwise employed by the Government. The Board shall be appointed by, and hold office at the pleasure of the Secretary of Agriculture, who shall not, himself, be a member of the Board.

"(b) Vacancies in the Board so long as there shall be three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three of the members in office shall constitute a quorum for the transaction of the business of the Board.

"(c) The Directors of the Corporation who are employed in the Department of Agriculture shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia. The members of the Board who are not employed by the Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed \$100 per day each when actually employed and necessary traveling and subsistence expenses when engaged in business of the Corporation away from their homes or regular places of business.

"(d) The manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture."

And the House agree to the same.

CLIFFORD R. HOPE,  
JOHN W. FLANNAGAN, JR.,  
AUGUST H. ANDRESEN,  
WILLIAM HILL,  
HAROLD D. COOLEY,

Managers on the Part of the House.

GEORGE D. AIKEN,  
HARLAN J. BUSFIELD,  
ALLEN J. ELLENDER,  
Managers on the Part of the Senate.

##### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1326) to amend the Federal Crop Insurance Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the House struck out all after the enacting clause in the Senate bill and substituted the language of H. R. 3465. The conference agreement is a substitute for both the Senate bill and the House amendment and is identical with the House amendment except as hereafter explained.

In the matter of the number of counties in which crop insurance is to be offered, the Senate bill provided for wheat in 633 coun-

ties, for flax in 87 counties, for cotton in 56 counties, and 50 counties each for corn and tobacco. The House amendment provided for insurance in not to exceed 50 counties in the case of wheat, corn, and cotton and not to exceed 25 in the case of flax and tobacco. The agreement reached by the conference would authorize wheat insurance in 200 counties, cotton insurance in 56 counties, corn and flax insurance in 50 counties each, and tobacco insurance in 35 counties.

The Senate bill proposed to increase the Board of Directors from three to five members by the addition of two persons not employed in the Department of Agriculture who are experienced in the insurance business. The House amendment contained no such provision. The conference substitute includes the Senate provision.

The Senate bill contained an authorization for the Corporation to sue and be sued in its corporate name in any court of record of a State having general jurisdiction or in any United States district court, without regard to the amount in controversy. No corresponding provision was contained in the House amendment. The conference substitute includes this provision.

In the matter of reinsurance, the Senate bill contained a provision limiting reinsurance to not more than 20 counties for all commodities. The House amendment did not contain this provision. The conference substitute includes this provision of the Senate bill.

CLIFFORD R. HOPE,  
AUGUST H. ANDRESEN,  
WILLIAM HILL,  
JOHN W. FLANNAGAN, Jr.,  
HAROLD D. COOLEY,

Managers on the Part of the House.

Mr. HOPE. Mr. Speaker, I call up the conference report on the bill (S. 1326) to amend the Federal Crop Insurance Act, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement as above set out.

Mr. HOPE. Mr. Speaker, the conference report fully explains the changes that were made by the conferees. Unless there are some questions, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

MRS. M. LACY

The SPEAKER laid before the House the following request, which was read by the Clerk:

REQUEST TO WITHDRAW PAPERS

JULY 25, 1947.

Mr. REES requests, pursuant to rule 38, leave to withdraw from the files of the House papers in the case of Mrs. M. Lacy, H. R. 7237, Seventy-ninth Congress, no adverse report having been filed thereon.

EDWARD H. REES.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

MRS. E. L. HAMILTON

The SPEAKER laid before the House the following request, which was read by the Clerk:

REQUEST TO WITHDRAW PAPERS

JULY 26, 1947.

Mr. REES requests, pursuant to rule 38, leave to withdraw from the files of the House papers in the case of Mrs. E. L. Hamilton,

H. R. 7238, Seventy-ninth Congress, no adverse report having been filed thereon.

EDWARD H. REES.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

TO PROTECT AMERICAN AGRICULTURE

Mr. HOPE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 597) to protect American agriculture, horticulture, livestock, and the public health by prohibiting the unauthorized importation into, or the depositing in the territorial waters of the United States of garbage derived from products originating outside of the continental United States, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 4, line 16, after "vehicle", insert "entering the United States."

Page 4, line 21, after "vehicle", insert "entering the United States."

Page 5, lines 4 and 5, strike out "on vessels, railway cars, aircraft, or other vehicles within" and insert "within the United States on vessels, railway cars, aircraft, or other vehicles entering."

Page 5, strike out lines 9 to 23, inclusive.

Page 5, line 24, strike out "4" and insert "3."

Page 6, strike out lines 3 to 14, inclusive.

Page 6, line 15, strike out "6" and insert "4."

Page 7, line 18, strike out "7" and insert "5."

Page 8, line 3, strike out "8" and insert "6."

Page 8, line 7, strike out "9" and insert "7."

Page 8, line 18, strike out "10" and insert "8."

Page 9, line 1, strike out "11" and insert "9."

Page 9, after line 4, insert:

"SEC. 10. Nothing in this act shall be construed as in any way affecting the authority of the Surgeon General under part G of title III of the Public Health Service Act, as amend (42 U. S. C. 264-272)."

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DELANEY asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HON. EVAN HOWELL

Mr. ARENDS. Mr. Speaker, I rise at this time to pay tribute to my good friend, the Honorable EVAN E. HOWELL, of the Twenty-first Congressional District of Illinois, who soon will be leaving this body to take up his new work as judge on the United States Court of Claims, which appointment was confirmed by the Senate day before yesterday. Ev

HOWELL is now serving his fourth term in Congress and during such period, has rendered outstanding service to his district and the Nation. He has been an active and influential member of the Committee on Interstate and Foreign Commerce, on which committee he is now the third ranking Republican member. Of course many of us who have been privileged to serve with Congressman HOWELL, regret to see him leave this body yet each and everyone realizes that he is stepping into a new position of importance for which he is so eminently qualified. There is no question in my mind but that Ev will make an outstanding judge.

Mr. Speaker, the privilege to serve in the Congress of the United States, does not come to too many people. The friendships made here are of lifetime duration and such a friendship has grown up between Ev and myself. I know Judge HOWELL will not forget his associations in the House of Representatives nor will we forget him.

I am glad to have had the chance to serve with you, Ev, sorry that you are going, but wish you all good luck in your new work and trust that you will be supremely happy. My congratulations to you and your splendid family and we will enjoy seeing you from time to time even though it may not be in daily contact such as has been our pleasure during the past 7 years.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I know of no one in my service in the House of Representatives who has brought to his legislative duties, diligence and devotion exceeded by that of the gentleman from Illinois [Mr. HOWELL]. While we regret that he leaves this great legislative body, not only is he to be congratulated but the Court of Claims of the United States is to be congratulated on inheriting a fine lawyer and a great citizen.

So we bid Brother HOWELL Godspeed and wish him well in this new endeavor. He has endeared himself to every Member of the House, particularly to the Members of the Illinois delegation. So our best wishes go with you in this new venture.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. McMILLEN].

Mr. McMILLEN of Illinois. Mr. Speaker, I want to express my gratitude for the honor that has been conferred on my distinguished colleague from Illinois, Congressman HOWELL, who represents a district adjoining mine. I have known him for many years as a citizen and lawyer at Springfield, Ill. I practiced before him as a referee in bankruptcy.

Mr. Speaker, there are others who should share in this honor with Mr. HOWELL. I have in mind particularly his splendid wife, his three children, his very highly esteemed father and mother, who live in my district at Champaign, Ill. EVAN HOWELL spent his childhood, his young manhood, went to the grade schools, the high school, and finally graduated from the University of Illinois all in my district. He has many friends throughout that district. I wish him every possible continued success.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, as the ranking member of the Committee on Interstate and Foreign Commerce, may I say that that committee likewise feels honored in the fact that its distinguished member from Illinois has been selected for this high position in the Judicial Department of the Government. I have had the privilege of serving with EVAN HOWELL now for 7 years.

He has exhibited a high degree of statesmanship, intelligence, and industry in his approach to the complicated problems of that committee. I am sure that we are all delighted that he will not leave the vicinity of Washington so that we may have the privilege of his very delightful company in years to come. He is one who most completely fills the bill as a gentleman and a scholar. He is our good friend and fine companion—our teammate and a leader among us. We will miss him in the Congress and as a stanch member of the Committee on Interstate and Foreign Commerce.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I cannot say in a short time all the good things I would like to about EVAN HOWELL, nor could anyone else. He has been a distinct asset to the membership of this House ever since he first came here.

He is a Member who has taken the work very seriously; he has made a good Member of Congress from the State of Illinois. The State of Illinois certainly will miss him as a legislator in the House of Representatives. But the United States Court of Claims is going to gain because of the fact that he has had experience here and because of the fact he has been able to get a slant on congressional work which will so greatly benefit him in his work on the court of claims.

I realize that it is a matter of judicial mind, and he has that. He is a friend and has been a friend of the Members of this House, and it has been a grand thing to be associated with him and his family. EVAN HOWELL is a fine fellow. He has one of the finest wives and a lot of little children that are just growing up that make for him the greatest asset of his life in the fact that his family coming on will certainly be a joy and a pleasure for him. Then, again, he is leaving a salary here of \$15,000 and he is going to get \$17,500. That is going to help that family a lot, and I am glad he is going to get it, because he is worth every dollar of it. I do not begrudge him 1 cent of that money.

I wish EVAN HOWELL Godspeed wherever he goes and in whatever he does, and I am sure he will do a good job as a member of the claims court.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, the association that one forms in this body and in the committees that we are on is very strong among the Members.

For years EVAN HOWELL has been a member of the Committee on Interstate and Foreign Commerce. He has rendered to the Congress and to the country a great service in the time that he has been in this House. I congratulate him upon his appointment. I wish him well. I wish him success and happiness in the new position that he is now taking.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. BISHOP].

Mr. BISHOP. Mr. Speaker, the gentleman from Illinois [EVAN HOWELL] was born in the Twenty-fifth District of Illinois, a district I have the honor to represent. He comes from a humble family, from a family that knows the hardships of life, a family that has worked hard to make possible his standing in this country today. The gentleman from Illinois [EVAN HOWELL], with myself and three other Members, came to the Seventy-seventh Congress together. We have served together for 6½ years, and I am sure that I, as an individual, will miss him a great deal, because his advice and counsel along legal lines has been of great advantage to me. I am sure that he and his family will prosper in the program which lies ahead of him. I certainly wish him and his family the best of life.

Mr. ARENDS. Mr. Speaker, I yield to the majority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. One of the finest associations of my career in this body has been with the gentleman from Illinois [Mr. HOWELL]. He has been of great assistance to me, and I shall greatly miss him.

Our loss is the gain of the Court of Claims, to which he has been appointed by the President. It is a well deserved recognition of his ability. It is a well deserved recognition of the quiet, fair and impartial manner in which he always views public issues.

I served with the distinguished gentleman from Illinois [Mr. HOWELL] on the Committee on Interstate and Foreign Commerce, and he made an important contribution to the work of that committee, as he has to every important issue that has come before us.

We shall miss EVAN HOWELL. We shall miss his services. But some satisfaction is to be gained from the fact that he will have his office here in Washington and from time to time we will have the privilege of seeing him.

EVAN, you take with you our very best wishes and affectionate regards. We wish you every success. We wish you the best of luck.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Speaker, for more than 5 years EVAN HOWELL and I have been next-door neighbors on the seventh floor of the New House Office Building. Therefore, I have had an opportunity of knowing and being with him a great deal during these years. That relationship has always been cordial and pleasant. I consider EVAN HOWELL a Member of the House of unusual ca-

pacity. He is always patient and fair in his consideration of and dealings with legislation and with other Members of Congress. I have also served as a member of the Small Business Committee with him and have been present many times when he has conducted hearings. I think he truly has a judicial temperament. While we dislike very much to lose him and his fine ability in the House, I predict for him a long and splendid career as a member of the judiciary on the Court of Claims. We will miss him on the Hill but we are glad that he will continue to serve the Nation in a most important capacity.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. STRATTON].

Mr. STRATTON. Mr. Speaker, I know of no one in the Illinois delegation whose appointment would be received with so much popularity as that of our distinguished colleague, EVAN HOWELL. I have known him for a great many years, both in and out of public office.

In addition to his talents as a lawyer and as a public servant, EVAN has the rare faculty of making friends wherever he goes. As a teacher in northern Illinois, as a student at the university, having been raised in southern Illinois and later moving to Springfield, which district he has represented, he has made friends throughout the State of Illinois. He is a worthy successor in the district of Abraham Lincoln. I am sure he will continue to make the same splendid record as a judge of the United States Court of Claims that he has in the Congress of the United States.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Texas [Mr. WORLEY].

Mr. WORLEY. Mr. Speaker, in January of 1941, in the Seventy-seventh Congress, I took the oath of office. In that Congress was the gentleman who has been appointed as an associate justice of the Court of Claims, Mr. HOWELL, whom I have come to know and admire and like very much over these years. He is modest, unassuming, with a profound capacity for work and ability to perform his chores. I know the House of Representatives has been a good influence on the gentleman from Illinois. I know the environment here has been excellent, as it is to any Member. I have no fear but that his environment on the Court of Claims will be equally as good, because my distinguished predecessor, the Honorable Marvin Jones, is now Chief Justice of that great court. So, EVAN, we wish you the very best of luck and will remember you for years to come. Here is wishing you and yours the very best of everything.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I feel that not only the Illinois delegation but all the Members of this House are losing a very loyal, active, and capable colleague, who has made a splendid record as a legislator. I know he will make an equal record in the new high position to which he has been appointed. I am obliged to express to the Republicans





[PUBLIC LAW 320—80TH CONGRESS]

[CHAPTER 440—1ST SESSION]

[S. 1326]

AN ACT

To amend the Federal Crop Insurance Act.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:*

“(a) Commencing with crops planted for harvest in 1948, for the purpose of determining the most practical plan, terms, and conditions of insurance for agricultural commodities, if sufficient actuarial data are available, as determined by the Board, to insure, or to reinsurance insurers of, producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity: *Provided*, That reinsurance for private insurance companies shall be limited to contracts covering farms in not to exceed twenty counties selected by the Board. Such insurance shall be against loss of the insured commodity while in the field due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Any insurance offered against loss in yield shall not cover in excess of 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: *Provided*, That, if 75 per centum of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum percentage so as more nearly to reflect the investment in the crop in such area. Insurance provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. In 1948 insurance shall be limited to not more than seven crops (including wheat, cotton, flax, corn, and tobacco) and to not more than three additional crops in each year thereafter. Insurance provided for any agricultural commodity, except wheat, cotton, flax, corn, and tobacco, shall be limited to producers in not to exceed twenty counties. Insurance for wheat, cotton, corn, flax, and tobacco shall be limited to producers in not to exceed two hundred counties in the case of wheat, fifty-six counties in the case of cotton, fifty counties each in the case of corn and flax, and thirty-five counties in the case of tobacco. Counties selected by the Board shall be representative of

the several areas where the agricultural commodity insured is normally produced. Insurance shall not be provided in any county unless written applications therefor are filed covering at least two hundred farms or one-third of the farms normally producing the agricultural commodity; nor shall insurance of any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured."

SEC. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: "*Provided*, That such premiums may be established on the basis of the parity or comparable price for the commodity as determined and published by the Secretary of Agriculture, or on the basis of an average market price designated by the Board."

SEC. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out in the first sentence "however," and inserting in lieu thereof "That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid: *Provided, further*."

SEC. 4. Section 502 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 502. It is the purpose of this title to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance."

SEC. 5. Nothing in this Act shall be construed to affect the validity of any insurance contract entered into prior to the enactment of this Act insofar as such contract covers the 1947 crop year. Any such contract which purports to cover a crop in the 1948 or any subsequent crop year in any county in which insurance on such crop will be discontinued pursuant to this Act is hereby terminated at the end of the 1947 crop year.

SEC. 6. Subsection (d) of section 507 of the Federal Crop Insurance Act, as amended, is amended by striking out the period at the end of the subsection and inserting a comma and the following: "except that employees or agencies responsible for administering this Act in each county shall be selected and designated by the Corporation and shall be responsible directly to the Corporation without the intervention of any intermediate office or agency."

SEC. 7. Subsection (d) of section 506 of the Federal Crop Insurance Act is amended to read as follows:

"(d) Subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided, That no attachment, injunction, garnishment, or other similar process,*

mesne or final, shall be issued against the Corporation or its property."

SEC. 8. Section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 505. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the 'Board') subject to the general supervision of the Secretary of Agriculture. The Board shall consist of the manager of the Corporation, two other persons employed in the Department of Agriculture, and two persons experienced in the insurance business who are not otherwise employed by the Government. The Board shall be appointed by, and hold office at the pleasure of the Secretary of Agriculture, who shall not, himself, be a member of the Board.

"(b) Vacancies in the Board so long as there shall be three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three of the members in office shall constitute a quorum for the transaction of the business of the Board.

"(c) The Directors of the Corporation who are employed in the Department of Agriculture shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia. The members of the Board who are not employed by the Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed \$100 per day each when actually employed and necessary traveling and subsistence expenses when engaged in business of the Corporation away from their homes or regular places of business.

"(d) The manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture."

Approved August 1, 1947.





